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Footwear (Men's, Women's, Boys', and Girls')

FAIRCHILD FACT FILE

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Book Division
Fairchild Publications
Division of Capital Cities Media, Inc.
New York

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Standard Book Number: 87005-688-3

FOOTWEAR
(MEN'S, WOMEN'S, BOYS' AND GIRLS')

EXECUTIVE SUMMARY

U.S. consumers spent over $26 billion on footwear in 1988, registering a 5.6% increase over 1987. Almost 40% of these purchases were for athletic shoes...Kormos, Harris & Associates.

U.S. footwear production in 1988 rose a slight 0.9% from the previous year, totaling 296.7 million pairs...Footwear Industries of America.

Non-rubber shoe production fell 4% to 218 million pairs valued at $3.7 billion, while rubber shoe production increased 15% to nearly 80 million pairs...U.S. International Trade Commission

Non-rubber footwear imports dropped 3.8% over 1987, marking the second consecutive year a decline occurred. Imports of rubber shoes, however, continued to rise at a rate of 26.1%...U.S. Census Bureau.

U.S. footwear exports rose as much as 45.5% in units and 29.9% in value in 1988, sparked by a weaker U.S. dollar and the popularity of U.S. brands in other countries...U.S. Department of Commerce

MARKET TRENDS

The footwear industry's chief concerns for the 1990's are comfort, brand marketing, retail relations and sourcing flexibility, according to exhibitors at the National Shoe Fair (August 1989). Although all of these topics were cited as equally important, the emergence of comfort as an industry-wide concern showed just how much of an influence the athletics boom has had.

Wall Street analysts predict the boom in athletic footwear will continue for the next several years, as the three industry leaders--Nike, Reebok and L.A. Gear--continue to compete for market share by creating new innovations, and by employing aggressive marketing techniques. Footwear industry sources, however, caution that the rising cost of athletic shoes may cause a drop in the number of pairs a consumer will buy. They also find that consumers are looking for the comfort they find in sneakers in their dress and casual shoes, resulting in a resurgence in popularity of sneaker-type canvas shoes for both men and women.

Sales of flats and other comfortable shoes have picked up considerably as it becomes less fashionable to wear athletic shoes with work clothes. Consumer demand for a combination of comfort and fashion features in a shoe has caused the "comfort market" to suddenly become one of the fastest growing and most influential markets in the footwear industry today. As a result, shoe makers are using sports technology in dress shoes, as athletic footwear companies are diversifing their lines to go beyond sneakers.

Market Trends (continued)

A new kind of footwear for women, called "walking pumps" has been developed. They look like a standard dress shoe, but have athletic features like flexible soles and padded linings. U.S. Shoe Corp. has been very successful in launching its new walking pump under the Easy Spirit line, constructed as a dress shoe with an impact absorbing sole. Rockport's dress pump with invisible sports features is another new walking pump innovation. Other shoe companies are also creating their own versions in this new category.

Dress shoes with a focus on comfort are also fueling increases in men's footwear and shifting it away from a totally athletic attitude. Penny loafers, oxfords and other styles are being constructed with a new comfort sole to appeal to this growing market.

In comparing first quarter 1989, with the corresponding period of 1988, the International Trade Commission reports U.S. production of non-rubber footwear to have increased a slight 2% in pairage, and 19% in terms of value. Rubber shoe production fell 5% during this time period.

For the first half of 1989, non-rubber shoe imports continued their two-year downward trend, falling 9.9% compared to the first half of 1988. The great influx of rubber shoe imports, however, continued, with an increase of 34% reported over first half 1988 levels.

AT THE MANUFACTURER LEVEL

GENERAL INDUSTRY STATISTICS

Industry data in this section is drawn primarily from government sources within the Department of Commerce and the Department of Labor. A basic source for industry statistics is the complete census of all manufacturers with payroll which is conducted by the Census Bureau every five years. The most recent census covered operations in the year 1987. In intervening years, the Census Bureau conducts an annual survey among a sample of manufacturers in order to develop estimates on key measurements of manufacturing activity. Another Department of Commerce source, the International Trade Administration, develops information on annual growth rates and projections. Results are stated in the U.S. Industrial Outlook Report.

Industry Profile

Trends in the Footwear Industry

	Compound Annual Rate of Change		Percent Change	
	1972-1986	1981-1986	1988/1987(p)	1989/1988(f)
Constant 1982$				
Industry total	- 3.9%	- 7.3%	4.7%	5.0%
House slippers	- 3.1	- 6.5	10.1	6.7
Men's footwear	- 3.5	- 6.7	10.0	7.0
Women's footwear	- 4.2	- 6.4	- 0.5	3.0
Footwear, n.e.c.	- 4.5	-12.2	- 1.2	1.9
Rubber/plastics footwear industry				
Value of industry shipments*				
Constant (1982$)	- 4.6	- 6.3	- 2.6	- 1.2

n.e.c. not elsewhere classified
(f) forecast (p) preliminary
* Value of all products and services sold by plants classified in this industry.

Source: U.S. Department of Commerce, International Trade Administration: 1989 U.S. Industrial Outlook

The U.S. Manufacturing Industry By Type of Footwear: 1982, 1986, 1987

	1987(p)	1986	1982	% Change 1987/82
NONRUBBER FOOTWEAR, TOTAL (SIC 314*)				
Number of companies	na#	na	481#	--
Number of establishments##	471	540	751	-37.3%
With 20 or more employees	314	(D)	536	-41.4
All employees (thous.)	70.6	75.9	121.5	-41.9
Production workers (thous.)	61.6	66.1	107.3	-42.6
Payroll (mil. $)	$ 904.7	$ 927.2	$1,250.2	-27.6
Value added by manufacture (mil.$)**	1,922.2	2,061.3	2,809.0	-31.6
Value of industry shipments (mil. $)***	3,985.2	4,007.7	5,269.3	-24.4
Capital expenditures, new (mil. $)	36.3	36.3	65.6	-44.7
New machinery and equipment (mil.$)	na	31.8	47.3	--

(continued)

The U.S. Manufacturing Industry By Type of Footwear: 1982, 1986, 1987
(continued)

	1987(p)	1986	1982	% Change 1987/82
MEN'S FOOTWEAR, EXCEPT ATHLETIC (SIC 3143*)				
Number of companies	106	na	129	-17.8%
Number of establishments##	151	na	203	-25.6
With 20 or more employees	110	na	159	-30.8
All employees (thous.)	31.5	31.8	46.5	-32.7
Production workers (thous.)	27.4	28.0	40.7	-32.2
Payroll (mil. $)	$ 432.1	$ 416.6	$ 503.1	-14.1
Value added by manufacture (mil. $)**	1,035.2	913.1	1,101.4	- 6.0
Value of industry shipments (mil. $)***	2,071.4	1,891.4	2,261.4	- 8.4
Capital expenditures, new (mil. $)	17.0	16.2	28.3	-39.9
New machinery & equipment (mil. $)	na	11.9	18.8	--
WOMEN'S FOOTWEAR, EXCEPT ATHLETIC (SIC 3144*)				
Number of companies	126	na	209	-39.7%
Number of establishments##	162	na	293	-44.7
With 20 or more employees	123	na	226	-45.6
All employees (thous.)	26.6	30.2	48.4	-45.0
Production workers (thous.)	23.7	26.3	43.4	-45.4
Payroll (mil. $)	$ 320.0	$ 341.9	$ 483.1	-33.8
Value added by manufacture (mil. $)**	755.8	812.3	1,107.0	-31.7
Value of industry shipments (mil. $)***	1,316.0	1,425.9	1,933.2	-31.9
Capital expenditures, new (mil. $)	10.1	13.8	20.2	-50.0
New machinery & equipment (mil. $)	na	10.5	17.0	--
HOUSE SLIPPERS (SIC 3142*)				
Number of companies	33	na	53	-37.7%
Number of establishments##	36	na	62	-41.9
With 20 or more employees	22	na	44	-50.0
All employees (thous.)	3.7	4.7	7.5	-50.7
Production workers (thous.)	2.9	3.9	6.4	-54.7
Payroll (mil. $)	$ 49.7	$ 57.3	$ 71.3	-30.3
Value added by manufacture (mil. $)**	110.9	103.4	149.7	-25.9
Value of industry shipments (mil. $)***	203.8	208.7	275.8	-26.1
Capital expenditures, new (mil. $)	2.7	6.0	3.1	-12.9
New machinery & equipment (mil. $)	na	4.1	2.4	--
FOOTWEAR, EXCEPT RUBBER, NOT ELSEWHERE CLASSIFIED (SIC 3149*)				
Number of companies	114	na	167	-31.7%
Number of establishments##	122	na	193	-36.8
With 20 or more employees	59	na	107	-44.9
All employees (thous.)	8.8	9.2	19.1	-53.9
Production workers (thous.)	7.6	7.9	16.8	-54.8
Payroll (mil. $)	$ 102.9	$ 111.4	$ 192.7	-46.6
Value added by manufacture (mil. $)**	203.1	232.5	450.9	-55.0
Value of industry shipments (mil. $)***	394.0	481.7	798.9	-50.7
Capital expenditures, new (mil. $)	6.5	5.7	14.0	-53.6
New machinery & equipment (mil. $)	na	5.3	9.2	--

(continued)

Industry Profile (continued)

The U.S. Manufacturing Industry By Type of Footwear: 1982, 1986, 1987
(continued)

	1987(p)	1986	1982	% Change 1987/82
RUBBER/PLASTICS FOOTWEAR (SIC 3021*)				
Number of companies	na	na	53	--
Number of establishments##	66	na	65	1.5%
With 20 or more employees	39	na	40	- 2.5
All employees (thous.)	11.0	9.2	17.6	-37.5
Production workers (thous.)	9.2	7.5	15.0	-38.7
Payroll (mil. $)	$ 154.4	$ 136.8	$ 196.5	-21.4
Value added by manufacture (mil. $)**	324.7	286.5	360.1	- 9.8
Value of industry shipments (mil. $)***	584.8	573.3	706.2	-17.2
Capital expenditures, new (mil. $)	9.7	6.3	12.4	-21.8
New machinery & equipment (mil. $)	na	5.9	11.4	--
BOOT & SHOE CUT STOCK & FINDINGS (SIC 3131*)				
Number of companies	115	na	149	-22.8%
Number of establishments##	126	na	161	-21.7
With 20 or more employees	58	na	80	-27.5
All employees (thous.)	5.1	4.3	6.8	-25.0
Production workers (thous.)	4.3	3.8	5.7	-24.6
Payroll (mil. $)	$ 70.1	$ 56.3	$ 80.8	-13.2
Value added by manufacture (mil. $)**	142.2	97.2	154.7	- 8.1
Value of industry shipments (mil. $)***	331.4	246.5	367.8	- 9.9
Capital expenditures, new (mil. $)	3.4	2.1	6.0	-43.3
New machinery & equipment (mil. $)	na	2.0	5.0	--

na not available
(p) preliminary
(D) withheld to avoid disclosure

# The company counts reported for individual components of the footwear industry are not additive as these counts cover the number of companies operating plants classified (on the basis of major product) in a specified component, and companies may, therefore, be counted in more than one segment. The 1982 Enterprise Statistics report based on the 1982 Census covered a net count on companies whose principal product was nonleather footwear. A 1987 count will eventually be available from the Census Bureau.

## Each manufacturing location is counted as a separate establishment (plant). Auxiliary locations (such as sales offices, warehouses, etc.) are not included in the above table. (Figures for 1986 are from the Census Bureau report, "County Business Patterns.")

* Manufacturing plants are classified by industry under the Standard Industrial Classification (SIC) System determined by the principal product, as shown below. (SIC 314 is a composite of industries in SIC 3142, -43, -44, -49).

(continued)

GENERAL INDUSTRY STATISTICS

Industry Profile (continued)

1987 Industry SIC Definitions:

SIC 3143	Establishments primarily engaged in the production of men's dress and casual shoes, boots and work shoes--much of these are all leather. Also includes orthopedic shoes, except extension shoes.
SIC 3144	Establishments primarily engaged in the production of women's dress and casual shoes, sandals and boots. Much of the footwear produced by these plants is primarily of leather. Also orthopedic except, extension shoes.
SIC 3142	Establishments primarily engaged in the production of house slippers made of leather or other materials. Slipper socks are included in this industry, if made from purchased socks.
SIC 3149	Establishments primarily producing footwear not classified in the above industries or in SIC 3021 (rubber and plastic). Included in SIC 3149 are shoes for infants and babies, children, misses, youths and boys. Also included are athletic shoes (except footwear with fabric uppers and rubber or plastic soles), theatrical shoes, and beach slippers.
SIC 3021	Establishments making all-rubber or all-plastic footwear, or footwear with rubber or plastic soles galvanized to the fabric uppers. There are two basic types of footwear included: (1) fabric upper espadrilles, sneakers (with fabric uppers), specialties designed for leisure wear (not including slippers), etc.; (2) protective footwear including boots, arctics, rubbers, etc., designed to be worn as a protection against water, oil, chemicals, cold weather, etc.
SIC 3131	Establishments primarily engaged in manufacturing leather soles, inner soles, and other boot and shoe cut stock findings. This industry also includes finished wood heels. It does not include manufacturers of shoe findings made of rubber, plastic, or fiber.

** Value added by manufacture is derived by subtracting the cost of finished products, materials, supplies, fuel, contract work, etc., from the value of shipments (including resales of finished products) plus the net change in the value of finished products and work-in-process inventories between the beginning and end of the year, without adjustment for price changes.

*** Value of industry shipments represents the total value of shipments of all establishments classified in the specified industry. The data includes the shipments of products classified in the industry (primary to the industry), products classified in other industries (secondary to the industry), and miscellaneous receipts (repair work, research and development, resales, etc.) This should be clearly distinguished from the specific value of footwear shipments by all manufacturers, including both primary and secondary producers which are classified in other industries. The value is covered in PRODUCT SHIPMENTS. (Values refer to received or receivable net selling values, f.o.b. plant (exclusive of freight and taxes, etc.)

Source: U.S. Bureau of the Census: 1987, 1982 Census of Manufactures
Industry Series (MC87-1-31A Preliminary);
1986 Annual Survey of Manufactures M86 (AS)-1

Industry Profile (continued)

Explanation of other terms used in this Fact File:

Non-rubber footwear: Includes shoes, boots and slippers made by "conventional" processes, such as cemented, welted, slip-lasted, etc., and shoes with rubber sole vulcanized to leather uppers. (Footwear covered in SIC 314)

Rubber/plastic footwear: Footwear with rubber or plastic soles and fabric uppers, such as sneakers, and rubber or plastic protective footwear. (SIC 302)

Sizes:
Men's shoes: sizes 6 and over, including big boys' shoes.
Youths' and boys' shoes: sizes 12 1/2 to 5 1/2.
Women's shoes: sizes 4 and over including growing girls' shoes.
Misses' shoes: sizes 12 1/2 to 3 1/2.
Children's shoes: sizes 8 1/2 to 12, including little boys' shoes.
Infants' shoes: size 0 to 8.

Note: In some cases, sources of information use age designations rather than size in classifying shoe types.

Employment and Earnings

Census Bureau reports covering plants classified in the non-rubber footwear industry trace the decline in U.S. production worker levels. As of 1987, production worker employment in men's footwear plants averaged 49.6% below 1972; in women's footwear, production worker employment was down 66.1%; in athletic and other footwear, it declined 70.3%; in house slippers, the loss was 59%.

A long range view of plant activity in the U.S. footwear industry is provided in reviewing Census Bureau data over the years on production worker employment, wages and value added in the manufacturing process. Compared with 1972, sharp declines are noted in employment. The dollar measurements are in current dollars, not adjusted for inflation, which would wipe out any small gains that might be noted.

Trends in Production Worker Employment, Wages & Value Added By Manufacture: Selected Years, 1972-1987

Year	No. of Production Workers (In thousands)	Total Wages (Mil. $)	Value Added By Manufacture (Mil. $)
Non-rubber footwear plants:			
Men's, except athletic			
1987	27.4	$ 325.0	$1,035.2
1982	40.7	382.2	1,101.4
1977	49.2	332.2	871.9
1972	54.4	288.9	674.4

(continued)

Employment and Earnings (continued)

Trends in Production Worker Employment, Wages & Value Added By Manufacture: Selected Years, 1972-1987
(continued)

Year	No. of Production Workers (thousands)	Total Wages (Mil. $)	Value Added By Manufacture (Mil. $)
Women's except athletic			
1987	23.7	$ 253.2	$ 755.8
1982	43.4	392.9	1,107.0
1977	51.3	315.6	755.0
1972	70.0	334.3	763.6
House slippers			
19874	2.9	$ 29.9	$ 110.9
1982	6.4	51.7	149.7
1977	7.0	39.6	108.8
1972	7.1	33.4	85.7
Athletic footwear, children's footwear, etc.			
1987	7.6	$ 76.8	$ 203.1
1982	16.8	146.8	450.9
1977	21.8	135.1	333.7
1972	25.6	124.9	272.5

Source: U.S. Bureau of the Census: Census of Manufactures; Annual Surveys of Manufactures (Industry Series)

Productivity, as measured by output per employee hour, in the U.S. non-rubber footwear industry registered a decline in 1987 after a surge in 1986, according to the Bureau of Labor Statistics. In 1987, output averaged 4.6% below the 1982 level.

Indexes of Output Per Employee in the Non-rubber Footwear Industry: 1982-1987
(1977=100)

1987	1986	1985	1984	1983	1982	1987/82
104.5	109.5	107.3	105.7	103.9	106.4	- 1.8%

Source: U.S. Bureau of Labor Statistics: Monthly Labor Review (March 1989)

Monthly data on U.S. employment and earnings is compiled by the U.S. Department of Labor, Bureau of Labor Statistics. Employment totals differ somewhat from the annual reports by the Census Bureau due to a difference in methodology in compiling the data.

A downtrend in footwear industry employment was reversed in 1988, with non-rubber footwear employment for the year up 1.8% over 1987; rubber/plastics footwear industry employment up 7.8%. Comparable gains in production worker employment were 0.7% and 9.6% respectively. Growth in demand for sneaker-type footwear has sparked a rise in activity, in rubber/plastics footwear plants, though most of this footwear is sourced in the Far East, as increase in export of U.S. footwear in 1988 was a major factor in employment gains.

GENERAL INDUSTRY STATISTICS

Employment and Earnings (continued)

Employment in women's footwear plants, however, continued to decline with the 1988 average falling 3.6% below 1987 and 16.1 below 1985. In men's footwear plants employment in 1988 averaged 4.6% over 1987, but fell 10.3% below the 1985 level. Trends in employment, hours and earnings from 1985 through 1988 are coverd in the detailed table below.

Employment, Hours and Earnings: Annual Averages, 1985-1988

(Employment figures in thousands)

	Employment		Production Worker		
			Average Earnings		Average Weekly
	Total	Production Workers	Weekly	Hourly	Hours
Total footwear, non-rubber*					
1988	86.1	73.3	$222.83	5.99	37.2
1987	84.6	72.8	217.73	5.76	37.8
1986(r)	88.5	74.6	201.96	5.61	36.0
1985	99.3	84.1	202.40	5.53	36.6
Men's footwear, except athletic					
1988	38.5	31.0	235.48	6.33	37.2
1987	36.8	29.9	233.23	6.17	37.8
1986(r)	39.1	31.2	214.44	5.99	35.8
1985	42.9	34.7	210.96	5.86	36.0
Women's footwear, except athletic					
1988	29.7	26.2	210.70	5.71	36.9
1987	30.8	27.2	206.34	5.43	38.0
1986(r)	31.5	27.6	192.05	5.32	36.1
1985	35.4	31.0	195.57	5.30	36.9
Rubber/plastics footwear					
1988	12.4	10.3	255.50	6.34	40.3
1987	11.5	9.4	252.29	6.05	41.7
1986(r)	10.9	9.2	234.42	5.98	39.2
1985	13.0	10.9	214.70	5.68	37.8

(r) revised

* Total includes types of non-rubber footwear not separately listed.

Source: U.S. Bureau of Labor Statistics: Employment & Earnings (March 1989) and annual supplements

BLS employment data available as of May 1989 registered a downturn in footwear industry employment levels, including both non-rubber and rubber/plastics footwear plants. Both men's and women's footwear plants reported employment below May 1988 levels. Rubber/plastics footwear employment also slumped.

Employment and Earnings (continued)

Employment, Hours and Earnings in U.S. Footwear Plants May 1989 Compared With May 1988

	Total Employment (thous.)		Production Workers (thous.)		Average Weekly Hours		Average Weekly Earnings	
	1989	1988	1989	1988	1989	1988	1989	1988
Footwear								
Non-rubber	80.6	84.2	68.7	72.1	37.2	37.3	$232.87	$211.56
Men's	35.5	37.0	28.8	29.9	38.0	37.4	253.84	233.75
Women's	27.8	29.1	24.6	25.8	35.9	37.1	212.53	210.36
Rubber/plastics	10.9	12.4	8.9	10.2	40.4	39.7	266.64	249.71

Source: U.S. Bureau of Labor Statistics:
Employment & Earnings (July 1989)

The Bureau of Labor Statistics has issued employment benchmarks for industry segments not covered in monthly and annual reports, including house slippers and miscellaneous footwear. The figures are as of March and cover the years 1981 through 1988.

Employment in plants manufacturing house slippers in the U.S. was reported at 4.6 thousand in March 1988 (Employment & Earnings, June 1989 issue). This was 4.4% over the March 1987 total of 3.9 thousand, but compares with the high of 9.3 thousand reported in March 1982.

In plants classified in SIC 3149 (Footwear, except rubber, n.e.c.), employment stood at 12.8 thousand compared with 12.1 thousand a year earlier, and reversing the steady decline noted since 1981. However, the 1988 level was almost half of March 1981 employment (23.5 thousand).

Employment Benchmarks for Specified Footwear Industry Segments: March 1981-1988
(In thousands)

Industry	1988	1987	1986	1985	1984	1983	1982	1981
House slippers (SIC 3142)	4.6	3.9	5.1	5.9	7.0	7.6	9.3	9.1
Footwear, except rubber, n.e.c. (SIC 3149)	12.8	12.1	14.0	15.1	18.7	20.3	20.6	23.5

n.e.c. not elsewhere classified

Source: U.S. Bureau of Labor Statistics:
Employment & Earnings (June 1989)

GENERAL INDUSTRY STATISTICS

Unemployment

Unemployment rates in the non-rubber footwear industry have been on a steady decline since a peak rate of 18.8 was reached in 1982. The number of unemployed workers in 1988 fell about 29% over 1987 figures, as the unemployment rate declined from 13.3 to 10.4. It should be noted that the unemployment totals do not include discouraged workers, or persons no longer trying to return to footwear industry employment.

Non-rubber Footwear Unemployment
1980-1988

Year	Number of Unemployed Workers	Unemployment Rate
1988	10,000	10.4
1987	14,000	13.3
1986	18,000	15.4
1985	18,000	15.0
1984	27,000	16.6
1983	37,000	18.6
1982	41,000	18.8
1981	27,000	12.5
1980	16,000	7.7

Source: U.S. Department of Labor, Bureau of Labor Statistics

Footwear Unit Labor Costs

The FIA has compiled the following information on non-rubber footwear unit labor costs in the U.S. from 1980 through 1988.

Non-rubber Footwear Unit Labor Costs
1980-1988

Year	Wage/ Hour	Pairs/ Hour	Unit Labor Cost	Average Price/Pair	Labor Share %
1988	5.99	1.580	3.79	16.91	22.4%
1987	5.76	1.579	3.65	15.54	23.5
1986	5.61	1.718	3.27	14.66	22.3
1985	5.53	1.656	3.34	14.55	23.0
1984	5.43	1.657	3.28	14.31	22.9
1983	5.27	1.679	3.14	14.03	22.4
1982	5.12	1.709	3.00	13.43	22.3
1981	4.82	1.566	3.08	12.85	24.0
1980	4.42	1.656	2.67	12.00	22.3

Source: Compiled by Footwear Industries of America
from U.S. Bureau of Labor Statistics and U.S.
Bureau of the Census data.

GENERAL INDUSTRY STATISTICS

Industry Concentration

When the Census Bureau completes reports covering the 1987 census of manufactures, the data will undoubtedly reflect a greater concentration of U.S. manufacturing among fewer large firms due to the consolidations that have occurred sine 1982 census findings were reported.

The current makeup of the industry's plants based on employment size is reported in County Business Patterns.

Percent of Establishments & Employees in the U.S. Footwear Industry By Employment-Size Class: 1986

Industry	Total	% Total	Under 20	20-49	50-99	100-249	250-499	Over 500
Footwear, except rubber								
Estabs. (No.)	540	100%	3.0	12.0	10.9	20.4	20.2	3.5
Employees (thous.)	79,875	100%	6.1	2.7	5.3	24.6	47.6	13.7*
House slippers								
Estabs. (No.)	43	100%	39.6	18.6	20.9	11.6	4.7	4.7
Employees (thous.)	4,423	100%	(D)	5.5	13.8	19.7	(D)	(D)
Men's footwear, except athletic								
Estabs. (No.)	147	100%	25.2	8.2	7.5	23.8	27.2	8.2
Employees (thous.)	31,602	100%	8.2	1.4	2.5	20.6	45.1	22.2*
Women's footwear, except athletic								
Estabs. (No.)	192	100%	22.9	13.0	13.5	22.9	25.0	2.6
Employees (thous.)	31,169	100%	(D)	2.6	6.2	26.5	52.2	(D)
Footwear, except rubber, n.e.c.								
Estabs. (No.)	128	100%	41.4	14.8	10.2	19.5	14.1	--
Employees (thous.)	12,028	100%	(D)	5.1	8.0	32.7	(D)	--
Rubber & plastic								
Estabs. (No.)	54	100%	39.0	11.1	5.6	22.2	9.3	13.0
Employees (thous.)	10,048	100%	(D)	(D)	1.8	25.3	17.6	40.3*

* Figures withheld for establishments with 1,000 or more employees.
(D) Figures withheld to avoid disclosing data for individual companies.

--Source: U.S. Bureau of the Census:
1986 County Business Patterns

GENERAL INDUSTRY STATISTICS

Plant Closings

From 1982 through 1988, 348 non-rubber footwear plants were closed, and 79 were opened, according to Footwear Industries of America; for a net loss of 269 plants. Closings in 1988 numbered 16, 9% less than in 1987 and below the peak 104 recorded in 1984, according to Footwear Industries of America.

Net Closings of U.S. Non-rubber Footwear Plants: 1982-1987

	Closed	Opened	Net Loss
1982	33	10	- 23
1983	42	18	- 24
1984	104	20	- 84
1985	58	9	- 49
1986	70	6	- 64
1987	25	9	- 16
1988	16	7	- 9
1982-1988	348	79	-269

Source: Footwear Industries of America (FIA)

MANUFACTURERS' OPERATIONS

An annual analysis of operating results of public footwear companies (manufacturers, retailers and diversified operations) compiled by Kurt Salmon Associates, Inc., showed a continued gain by the industry in 1988. The manufacturers/resources sector achieved a composite 12% return on equity for the second year in a row, double their weak performance of 1984-86. The athletic footwear sector also performed well in 1988, reporting composite profit dollars to be up 25% on a sales gain of 36%. Gross profits pinched by higher importing costs, however, fell 5.3% for the category.

As restructuring continues and the footwear industry gets back to concentrating on its basic business, its performance should continue to improve. Cost and delivery pressures involved with overseas sourcing may have a big effect on the performance of the industry in 1989, even though athletic specialists continue their aggressive marketing techniques, and the remaining domestic manufacturers strengthen their niches, according to KSA.

Selected Footwear Industry Sector Results: 1987, 1988

	Manufacturers/Resources*		Athletic Footwear Manufacturing	
	1988	1987	1988	1987
Number of firms	14	14	4	4
Sales (millions of $)	$1,414.1	$1,292.6	$3,268.3	$2,405.8
Net income (millions of $)	60.3	58.0	260.0	207.7
Net after-tax income on sales	4.26%	4.49%	7.95%	8.63%
Return on total equity %	12.06%	12.19%	22.21%	21.35%
Gross profit %	33.10%	35.0%	35.98%	38.01%

*Companies deriving 50% or more of their sales from footwear manufacturing or importing, except athletic footwear specialists which are separately covered.

Source: Kurt Salmon Associates:
The KSA Perspective: Footwear Profile For 1988

MANUFACTURERS' OPERATIONS

An annual analysis of sales and operating results of publicly-held footwear companies classified as resources was published in the trade newspaper, Footwear News (July 17, 1989). The following covers sales and profits in 1988 compared with 1987.

Sales & Profits of Leading Publicly-Held Footwear Manufacturers, 1987, 1988
(Dollar figures in millions)

	Sales		New Profit (Loss)		Footwear's Contribution To Sales	
	1988	% Change 1988/87	1988	% Change 1988/87	1988	1987
U.S. Shoe Corp.	$2,343.0	8.1%	$ 13.0	- 75.1%	33.2%	33.6%
Reebok Intl.	1,785.9	28.6	137.0	- 17.1	nr	nr
Nike, Inc.	1,203.4	35.6	101.7	183.4	nr	nr
Stride Rite Corp.	378.8	28.9	31.8	31.7	100.0	100.0
Wolverine World Wide	323.7	.08	7.7	19.6	100.0	100.0
L.A. Gear	223.7	217.0	22.0	404.0	100.0	nr
Justin Industries	249.7	6.6	7.5	893.2	46.8	69.2
Timberland	132.6	23.9	8.1	- 13.8	100.0	100.0
Weyerberg Manufacturing	126.3	7.2	5.1	11.4	100.0	100.0
R.G. Barry	106.2	9.5	.02	- 99.9	100.0	100.0
Suave Shoe Corp.	76.5	7.0	(0.2)	na	100.0	100.0
Tony Lama Co., Inc.	76.2	18.8	1.2	35.3	100.0	100.0
Hyde Athletic	55.3	-18.7	(0.7)	na	100.0	100.0
Jumping-Jacks Shoes, Inc.	41.1	4.7	(2.0)	na	100.0	100.0
B.B. Walker Co.	40.0	18.3	1.2	981.4	100.0	100.0
Shaer Shoe Corp.	22.9	2.4	1.0	- 44.5	100.0	100.0
Wellco Enterprises, Inc.	22.7	18.8	2.2	- 2.7	100.0	100.0
Penobscot Co.	18.4	5.7	1.3	- 16.7	100.0	100.0
Daniel Green Co.	17.8	-11.7	0.6	- 46.7	100.0	100.0
Total	$7,244.4	19.9	$338.4	6.4	100.0	100.0

na not available
() represents a loss
nr not reported

Source: Footwear News, July 17, 1989

Athletic Footwear Suppliers

Many dress and casual shoe manufacturers had a disappointing 1988, and some industry analysts think the future of the footwear business still lies in the athletic market. This U.S. wholesale market grew to $4.3 billion in 1988, from $2 billion in 1984. In order to take advantage of the demand for athletic styles, many casual and dress shoe sources are expanding their lines to include athletic styles. An "athleisure look" was created by the U.S. Shoe Corp. for its Easy Spirit line in response to consumers preference for comfort. There is growing competition, however, from fabric/rubber or sneaker-type footwear.

Athletic Footwear Suppliers (continued)

Although Reebok Int'l. was still the leader in athletic footwear, (capturing 27.1% of the market in 1988 according to Sporting Goods Management News, Inc.), the company's earnings dropped 17.1% over 1987. Causes of this drop included lower than expected sales of Avia and Rockport, two of its subsidiaries, as well as the high cost of its UBU advertising campaign. For the first six months of 1989, company sales were up just 0.4%, while earnings dropped 3.3%. Its new technically designed sneaker with an "Energy Return System", was created to compete with Nike-Air styles.

Nike, Inc. showed tremendous growth in 1988, as the company more than doubled its earnings, led by the success of its Nike-Air products. Nike's share of the U.S. wholesale market was 23% in 1988. For fiscal 1989--year ended May 31st--the company set an earnings record, and reported sales to have jumped 40% from a year ago to $1.06 billion; with high-tech styles making up 60% of that sales volume. Analysts predict Nike to slightly surpass Reebok in terms of sales and earnings in 1989.

L.A. Gear was another top performer in 1988, showing a 217% increase in sales over the previous year, as well as a quadrupling of its profits. Sales in the second quarter of 1989 tripled to $69.6 million, setting a company record. As the company continued to sell its fashion-oriented styles, it also started to broaden its performance high-tech lines, and has begun to target the male consumer with a $26 million advertising campaign. The company jumped from 15th place in 1986, to third place among sneaker sellers, recently passing Converse, according to Business Week magazine (June 19, 1989).

Share of U.S. Brand Name Athletic Footwear market (Wholesale Value) Held By Leading Manufacturers: 1988

	Percent
Total market ($4.3 billion)	100.0%
Reebok	27.0
Nike	23.0
Converse	5.8
L.A. Gear	4.7
Avia (a Reebok subsidiary)	4.2
Addidas	4.0
Keds	3.5
Other	27.8

Source: The New York Times (Feb. 14, 1989),
based on data compiled by Montgomery Securities.

Athletic Footwear Suppliers (continued)

Reebok's Footwear Revenues
(Millions of dollars)

	1989(e)	1988	1987	1986
Total, footwear revenues	$1,211.3	$1,155.4	$ 991.8	$ 841.0
By brand:				
Total	1,455.0	1,380.4	1,136.4	896.0
Rockport	170.2	170.9	152.6	23.4
Avia	229.9	201.4	100.2	0.0
Ellesse	27.2	33.2	0.0	0.0

(e) estimated

Source: Salomon Brothers,
Stock Research: Textile/Apparel (May 19, 1989)

Nike's U.S. Footwear Revenues
(Millions of dollars)

	1988		1987		1986	
	Sales	Percent	Sales	Percent	Sales	Percent
Total, footwear	$757.5	100.0%	$510.0	100.0%	$649.5	100.0%
Basketball	213.3	28.2	132.5	26.0	212.6	32.7
Running	164.4	21.7	115.5	22.6	150.0	23.1
Children's	123.1	16.3	75.6	14.8	115.4	17.8
Fitness	103.0	13.6	76.6	15.0	54.1	8.3
Racquet	57.0	7.5	36.2	7.1	68.5	10.5
Field sports	40.4	5.3	43.9	8.6	35.4	5.5
Other	56.3	7.4	29.7	5.8	13.5	2.1

Source: Nike, Inc., *Annual Reports*

Percent Distribution of L.A. Gear's Footwear Sales: 1988

Footwear Category	Percent
Children's	13.0%
Aerobic	11.0
Athletic-style leisure	11.0
Court shoes	7.0
Infant's and toddlers	6.0
High-top	49.0
Walking, running, fitness, & cross-training	3.0

Source: *The New York Times* (July 16, 1989),
based on Company sources.

NATIONAL ADVERTISING EXPENDITURES

Estimates on advertising-to-sales ratios by industry are compiled by Schonfeld & Associates, Evanston, IL, from a variety of sources, including the 10-K reports of publicly held companies. The following summary has been published in Advertising Age from the complete report, "Advertising Ratios & Budgets", which includes forecasts.

In using the data it should be noted that expenditures included as advertising in 10-K reports may vary from company to company; privately-owned companies are not included; multi-industry companies are reported only in their primary industry (based on sales of their dominant line of business).

Non-rubber Footwear Industry Advertising Ratios 1982-1988
(All Media)

	Ad Dollars As % of Sales	Ad Dollars As % of Margin*	Ad Dollars Annual Growth Rate %
1988(e)	3.2%	8.2%	(4.4%)
1987	nr	nr	nr
1986	4.2	10.2	(4.7)
1985	4.5	12.2	4.5
1984	3.8	10.4	7.8
1983	3.0	8.5	7.8
1982	3.0	7.9	6.5

(e) estimated
nr not reported
* Margin is net sales less cost of goods sold
() loss

Source: Schonfeld & Associates, Evanston, IL,
(Advertising Age, October 14, 1988 and earlier issues)

Advertising expenditures by footwear manufacturers for space or time in nine different types media totaled $179,037.4.

In comparing total national advertising expenditures by media, compiled by Leading National Advertisers (LNA), footwear companies used magazines most often to advertise their brands of shoes in 1988, totaling over $79 million. Network and spot television followed in dollar amount, with a combined total of over $75 million, while network radio accounted for the least amount of advertising dollars.

Athletic footwear companies have been spending large sums of money on advertising to promote new and existing styles. In 1989, Reebok's annual advertising budget will amount to $60 million, while Nike plans to spend $55 million on advertising for the year.

According to Advertising Age (August 21, 1989), L.A. Gear plans to double its ad budget to $50 million next year.

NATIONAL ADVERTISING EXPENDITURES

National Advertising Expenditures By Footwear Manufacturers By Media: 1988

(In thousands of dollars)

Magazines	Supplements	Newspapers	Outdoor
$79,439.9	$5,185.3	$7,497.9	$1,406.5

Network TV	Spot TV	Syndicated TV	Cable Network	Network Radio
$46,946.5	$28,678	$2,272.1	$7,109.6	$501.6

Note: Data covers expenditures for space or for time only.

Source: Newspaper Advertising Bureau: LNA/BAR Media Reports

Consumer Magazines

In its Leading National Advertisers report, the Publisher's Information Bureau details spending on consumer magazine advertising space by footwear companies. Annual data for 1988 is compared with 1987 data below. The PIB breaks down expenditures for footwear advertising into two classifications "Shoes and Boots Regular & Casual" and "Sport & Protective Footwear" including men's, women's and children's.

Selected Footwear Advertisers' Spending For Space in Consumer Magazines On Shoes and Boots (Regular & Casual) 1987, 1988

(In thousands of dollars)

	Space Costs	
	1988	1987
Reebok International, Ltd.*	$4,701.7	$1,881.2
Brown Group	2,828.8	2,399.2
Interco	2,701.3	2,188.7
Timberland	2,633.0	1,468.0
Bass	1,926.4	2.2
Dexter	1,796.2	1,447.5
U.S. Shoe Corp.	1,349.7	1,077.6
Cole Haan Shoes**	1,138.0	792.0
Bally	800.2	1,116.2
Wolverine Worldwide	723.1	140.7
Stride Rite	656.4	38.3

* Includes Rockport, Metaphors, Frye, Donner and Weebok Casual shoes.
**Acquired by Nike in 1988.

Source: Publisher's Information Bureau: Leading National Advertisers

Consumer Magazines (continued)

Selected Footwear Advertisers' Spending For Space in Consumer Magazines On Sport & Protective Footwear: 1987, 1988
(In thousands of dollars)

	Space Costs	
	1988	1987
Nike	$13,015.5	$ 3,992.8
Reebok International, Ltd.*	6,519.8	10,078.2
Converse	4,579.9	1,818.7
New Balance	1,623.5	992.3
L.A. Gear	1,283.4	274.2
Fila	1,064.3	1,322.3
Keds	874.2	646.0
Pony	688.9	710.2

* Includes Avia

Source: Publisher's Information Bureau: Leading National Advertisers

PRODUCTION IN THE U.S.

The U.S. Bureau of the Census compiles monthly and annual information on U.S. production and shipments of footwear based on a sample survey of all known manufacturers. The monthly reports are based on a sample of approximately 250 establishments accounting for 90.0% of total U.S. output of footwear. The annual report covers all known manufacturers of footwear--approximately 350 firms. The reports include manufacturers that cut footwear in the U.S., ship to a foreign country included in the Caribbean Basin Initiative for assembly, then ship back to the U.S. under the special imports category referred to as Item 807 of the U.S. Tariff Schedules. Duty is paid only on the value added by the foreign suppliers, not on the U.S. components.

In the first five months of 1989, U.S. production of all types of non-rubber footwear fell 1.0% below production in the same 1988 period. The growth in consumer demand for sneakers was reflected in an 11.7% increase in production of footwear with rubber or plastic soles and fabric uppers.

Production of Footwear in the U.S.: January-May 1989

	Jan.-May 1989 Thous. of Pairs	% Change: Jan.-May 1989/1988
Total, all types of footwear*	131,769	- 2.6%
Non-rubber footwear, total	90,791	- 1.0
Men's	19,753	-12.6
Women's	28,773	- 4.4
Juvenile	12,251	10.9
Athletic	(S)	(S)
Other (ballet, theatrical, etc., and type not specified)	1,398	45.6
Slippers	25,217	8.4
Rubber/plastic sole, fabric upper, total	40,978	11.7
Rubber/plastic protective footwear	(S)	(S)

(S) Suppressed. Data did not meet publication standards of the Bureau of the Census.

* Not including (S)

Source: U.S. Bureau of the Census: Current Industrial Reports, MA31A(89)-5

Production of footwear of all types in the U.S. totaled 296.7 million pairs, slightly below the 1987 total, according to preliminary data. Rubber/plastic footwear of all types registered strong gains, while non-rubber footwear, as a whole, declined 3.3% in output compared with 1987. The picture was mixed, with women's non-rubber footwear down over 13%, athletic footwear up almost 21%. (1988 figures are subject to revision.)

Summary of Production of Footwear in the U.S.: 1988

	Millions of Pairs 1988(p)	% Change 1988/87
Total, all types of footwear	296.7	0.9%
Non-rubber footwear, total	217.2	- 3.3
Men's	51.4	- 4.8
Women's	69.2	-13.4
Juvenile	21.0	4.5
Athletic	9.1	20.7
Other (ballet, theatrical, etc., and type not specified)	2.5	54.3
Slippers	57.8	4.0
Rubber/plastic sole, fabric upper, total	79.5	14.7
Rubber/plastic protective footwear	16.2	29.0

(p) preliminary

Source: Footwear Industries of America (FIA): Statistical Reporter, based on Census Bureau reports

PRODUCTION IN THE U.S.

By Type of Footwear

The latest detailed information on footwear production by type is from the Census Bureau's 1987 annual Current Industrial Report.

U.S. Production of Footwear By Type: 1984, 1986, 1987
(Thousands of pairs)

				% Change	
	1987	1986(r)	1984	1987/86	1987/84
Footwear, total (non-rubber & rubber/plastic not including protective footwear)	281,760	286,719	365,999	- 1.7%	- 23.0%
Non-rubber footwear, total	225,888	241,932	303,174	- 6.6	- 25.5
Shoes, athletic footwear, boots	170,340	185,006	243,759	- 7.9	- 30.1
Men's (except athletic)	53,984	57,967	72,273	- 6.9	- 6.9
Dress & casual shoes	32,290	33,838	43,273	- 4.6	- 4.6
Boots, dress & casual	2,810	4,068	10,238	- 30.9	- 72.6
Western style boots	6,791	4,864	7,297	39.6	- 6.9
Work oxfords	3,207	2,700	3,675	18.8	18.8
Steel toes	na	--	882	--	--
Work boots	8,886	12,497	14,896	- 28.9	- 40.3
Steel toes	--	3,499	4,606	--	--
Type not specified	na	na	191	--	--
Youths' & boys' (except athletic)	2,427	3,352	6,669	- 27.6	- 63.6
Boots	nr	na	172	--	--
Women's (except athletic)	79,908	82,373	113,282	- 3.0	- 29.5
Sandals	5,419	8,140	13,673	- 33.4	- 60.4
Dress & casual, except sandals	67,749	68,396	91,706	- 0.9	- 26.1
Uniform duty shoes	1,173	132	48	788.6	2,343.8
Boots, ankle height or higher	5,567	5,704	7,855	- 2.4	- 29.1
Western style boots	na	na	578	--	--
Misses' (except athletic)	3,478	3,717	4,880	- 6.4	- 28.7
Boots	na	na	91	--	--
Children's (except athletic)	6,209	5,650	9,414	9.9	- 34.0
Boots	--	--	629	--	--
Infants' & babies' shoes	13,957	19,627	19,886	- 28.9	- 29.8
Athletic shoes	8,017	9,350	12,760	- 14.3	- 37.2
By type:					
Court shoes	na	na	1,862	--	--
Running or jogging shoes	na	na	4,733	--	--
Cleated shoes, except golf	na	na	9	--	--
All other	na	na	6,156	--	--
By sex:					
Men's	na	4,089	5,796	--	--
Women's	na	2,617	3,496	--	--
Youth's, children's	na	2,644	3,468	--	--
All other non-rubber footwear (ballet slippers, etc.)	2,360	2,971	4,595	- 20.6	- 48.6

(continued)

By Type of Footwear (continued)

U.S. Production of Footwear By Type: 1984, 1986, 1987
(Thousands of pairs)
(continued)

				% Change	
	1987	1986(r)	1984	1987/86	1987/84
Slippers	55,548	55,926	59,415	- 0.7	- 6.5
Men's, youths', boys'	5,582	5,796	9,269	- 3.7	- 39.8
Women's, misses'	46,376	46,284	44,589	0.2	4.0
Children's, infants'	3,590	3,846	5,557	- 6.7	- 35.4
Rubber/plastics footwear (fabric upper), total (excl. protective)	56,670	45,787	62,825	24.0	- 9.7
Espadrilles	(D)	(D)	1,263	--	--
Fabric upper cement process	(D)	(D)	5,389	--	--
All other fabric upper shoes	65,939	54,229	56,173	21.6	17.4
Vulcanized	11,804	10,461	12,617	12.8	- 6.4
Other, incl. injection molded	54,135	43,768	43,556	23.7	24.3

U.S. Production of Rubber & Plastic Protective Footwear: 1984, 1986, 1987
(Thousands of pairs)

				% Change	
	1987	1986	1984	1987/86	1987/84
Protective footwear, total	12,528	12,160	17,518	3.0%	- 28.4%
Rubber upper protective footwear	7,615	6,788	9,331	12.1	- 18.4
Boots	3,773	2,834	3,560	33.1	6.0
Lumberman & pacs	1,120	1,048	(D)	6.8	--
Arctics & gaiters	1,312	1,455	2,379	- 9.8	- 44.9
Light & heavy rubbers	1,410	1,451	(D)	- 2.8	--
Plastic upper protective footwear	4,005	4,254	5,138	- 5.8	- 22.1
Slush molded	(D)	1,515	2,811	--	--
Injection molded	2,097	2,739	2,329	- 23.4	- 10.0
Fabric upper protective footwear, rubber/plastic sole	908	1,118	3,047	- 18.7	- 70.2

na not available
nr not reported
(r) revised
(D) Data withheld to avoid disclosure for individual companies

Source: U.S. Bureau of the Census: _Current Industrial Reports_, MA31A

PRODUCTION IN THE U.S.

Seasonal Pattern in Production

Percent of Year's Total Production of Non-rubber Footwear (Shoes & Slippers) by U.S. Manufacturers, by Months: 1988

	Non-rubber Footwear Total*	Men's Except Athletic	Women's Except Athletic	Juvenile	Athletic**	Slippers
Total, thousands of pairs	217,643	51,388	69,230	27,232	8,017	57,774
Percent	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
January	7.2	8.0	7.6	7.1	9.0	5.8
February	8.9	9.3	9.5	9.4	9.5	7.5
March	9.3	9.1	9.6	8.7	9.5	9.5
April	8.2	8.7	8.2	7.6	7.9	8.3
May	8.6	8.9	8.6	7.6	11.2	9.1
June	8.4	8.7	7.8	8.2	8.3	9.4
July	6.4	5.9	5.6	6.6	6.5	7.0
August	9.0	8.6	9.0	8.7	9.8	9.3
September	8.9	8.7	9.5	8.6	8.2	8.5
October	8.9	8.8	8.8	9.3	7.2	9.0
November	9.0	7.7	8.3	9.9	6.3	10.7
December	7.2	7.6	7.5	8.1	6.6	5.9

* Includes other non-rubber footwear not separately reported.
**As reported for 1987, 1988 not available.

Source: Based on U.S. Bureau of the Census: Current Industrial Reports, MA31A-(88)-12

Leading States

Missouri reported the greatest number of employees in the footwear industry in 1987. Although Pennsylvania had the greatest number of shoe factories of all the states, it ranked third in employee counts behind Missouri and Maine.

Leading Shoe Producing States: 1987

State	No. of Employees	No. of Factories
Missouri	12,980	50
Maine	10,045	45
Pennsylvania	7,818	53
Tennessee	7,051	25
New York	5,154	43
Arkansas	4,424	19
Massachusetts	4,317	38
Wisconsin	3,402	23
New Hampshire	3,251	28
Ohio	2,727	12
Florida	2,623*	18
North Carolina	2,502	8
Indiana	1,314	6

* Includes rubber and plastic footwear industry employees.

Source: Footwear Industries of America (FIA)

PRODUCTION IN THE U.S.

Materials

Advanced reports based on the 1987 Census of Manufactures, just released by the Census Bureau, gives preliminary figures on the value of materials consumed by plants classified in specified footwear industries. These figures are in current dollars, with no adjustment for inflation. Comparisons with available 1982 figures are shown below.

Delivered Costs of Materials Consumed in Footwear Plants
(Millions of current dollars)

	Leather Tanning & Finishing (SIC 3111)		Footwear Cut Stock (SIC 3131)	
	1987(p)	1982	1987(p)	1982
Hides, skins & pelts	$974.4	$633.1	$ 11.9	$ 4.3
Tanning materials, dressings, dyes & finishing agents	237.9	210.9	0.8	2.5
All other materials, containers & supplies	41.0	42.5	84.3	82.1
Materials, containers & supplies, n.s.k.	109.9	104.5	16.5	23.8

	House Slippers		Footwear, Except Athletic				Footwear exc. Rubber n.e.c.	
			Men's		Women's			
	1987(p)	1982	1987(p)	1982	1987(p)	1982	1987(p)	1982
Cut stock & findings*	$14.2	$12.0	$155.2	$135.8	$ 83.8	$118.4	$48.6	$40.2
Finished leather	13.7	3.2	535.8	509.6	253.8	259.4	50.2	(D)
Plastics coated, impregnated or laminated fabrics	21.7	31.1	31.8	19.4	39.0	48.0	16.4	8.4
Paper packaging supplies	3.0	3.8	20.4	23.3	16.4	34.4	5.6	9.5
All other materials, containers & supplies	23.1	26.2	137.5	212.9	126.4	196.6	32.8	84.3
Materials, containers, & supplies, n.s.k.	2.1	40.5	12.5	60.5	25.6	85.9	14.4	44.5

	Rubber & Plastics Footwear	
	1987(p)	1982
Materials, parts, containers and supplies	$225.6	$277.5
Natural rubber (latex & dry)	1.9	20.5
Synthetic rubber & elastomers	3.3	24.6
Plastic resins (in form & granules, pellets, powders, liquids, etc.)	6.3	15.2
Plastic products (in form of sheets, rods, tubes, etc.)	(D)	3.2
Materials, parts, containers & supplies, n.s.k.	48.0	30.9

* Includes plastics, natural and synthetic rubber, rubber and elastomer resin soling slabs and top lift sheets, composition and nuclear, and leather & other categories.

(p) preliminary (D) withheld to avoid disclosure of individual company data.
n.e.c. not elsewhere classified n.s.k. not specified by kind

Source: U.S. Bureau of the Census: 1987 Census of Manufactures, MC87-1-31-A (preliminary) and MC87-1-30A (preliminary)

PRODUCTION IN THE U.S.

Materials (continued)

Within the non-rubber footwear industry overall production of types with leather uppers increased from 53.8% in 1986 to 54.6% in 1987, according to the Census Bureau.

Non-rubber Footwear Production in the U.S.
Total & Footwear with Leather Uppers: 1986, 1987
(Thousands of pairs)

	1987	1987 With Leather Uppers		1986	1986 With Leather Uppers	
	Total	Pairs	% of Total	Total	Pairs	% of Total
Non-rubber shoes & slippers, total	225,888	121.5	54.6%	241,388	129,872	53.8%
Shoes*	170,340	na	--	185,461	126,579	68.2
Men's (except athletic)	153,984	na	--	58,118	53,226	91.6
Women's (except athletic)	79,908	na	--	82,532	51,626	62.5
Athletic	8,017	402.5	50.2	9,350	4,307	46.1
Slippers	55,548	na	--	55,927	3,293	5.9

na not available
* Includes shoe types not separately listed

Source: Based on U.S. Census Bureau reports

Of total shipments of shoes by U.S. manufacturers in 1987, 25% had rubber or plastic soles with fabric uppers. The comparable share of the total in 1986 was 24%.

The total new supply of footwear in the U.S., including U.S. production less exports plus imports for consumption last year, totaled 1,351,625 pairs, of which 84.5% were non-rubber shoes and slippers.

Total New Supply (Apparent Consumption) of Footwear
By Major Material Type: 1986, 1987
(Thousands of pairs)

	1987 Pairs	1987 Percent	1986 Pairs(r)	1986 Percent(r)
Total footwear	1,351,625	100.0%	1,347,655	100.0%
Non-rubber shoes & slippers	1,142,369	84.5	1,168,834	86.7
Leather footwear	na	na	605,316	44.9
All other footwear	na	na	563,518	41.8
Footwear with rubber/plastic soles/ fabric uppers	187,890	13.9	156,029	11.6
Rubber and plastic protective footwear	21,366	1.5	22,336	1.7

(r) revised

Source: Based on U.S. Census Bureau reports

PRODUCT SHIPMENTS

In contrast with the value of "Industry Shipments", which have been covered in the section on GENERAL INDUSTRY STATISTICS, product shipments cover the value of footwear made by all manufacturing establishments with payroll, including those classified in the footwear industry (primary producers) and those classified in other industries (secondary producers).

Shipments of U.S. producers of non-rubber footwear picked up in the early months of 1989 covered in Census Bureau data. In the first five months the quantity shipped rose 5.8% and the value of shipments gained 16% over comparable 1988 totals. Shipments of rubber/plastics footwear, however, were down despite the strong resurgence in demand reported in the trade for sneaker-type footwear. Imports are filling a growing proportion of the market supply of this footwear.

Shipments of Footwear By U.S. Manufacturers: January-May 1989
(In thousands)

	Jan.-May 1989		% Change: Jan.-May 1989/1988	
	Pairs	Value	Pairs	Value
Reported types of footwear:				
Non-rubber footwear	87.5	$1,578.8	5.8%	16.0%
Footwear with rubber/plastic soles/fabric uppers	37.5	208.3	-6.3	- 4.5
Rubber and plastic protective footwear	(S)	(S)	(S)	(S)

(S) Suppressed. Data did not meet publication standards of the Bureau of the Census.

Source: U.S. Bureau of the Census:
Current Industrial Reports, M31A(89)-5

The total value of shipments of footwear by all producers from preliminary data developed in the 1987 census of manufactures, compared with 1982 census reports, is noted below. (The value of shipments is f.o.b. plant.)

The total value of non-rubber footwear, including slippers, shipped in 1987 by U.S. plants was reported at $3,795 million compared with $4,952.3 million in 1982 (current dollars). With no adjustment for inflation, this represented a decline of 23.4% in the five year period.

PRODUCT SHIPMENTS

Quality & Value of Shipments of Non-rubber Footwear By All U.S. Producers: 1982, 1987

(Quantity in millions of pairs, value in millions of dollars)

	No. of Companies With Shipments of $100,000 or More		Product Shipments (All Producers)			
			Quantity		Value**	
	1987	1982	1987	1982	1987	1982
Non-rubber footwear, total	--	--	--	--	$3,795.0	$4,952.3
Houseslippers	na	na	x	x	184.1	265.3
Except slipper socks	25	36	46.4	64.2	169.1	240.3
Slipper socks made from purchased socks	7	2	x	x	10.4	(D)
Type not specified	na	na	x	x	4.7	(D)
Other non-rubber footwear, except athletic	--	--	--	--	3,610.9	4,687.0
Men's total	--	--	--	--	1,809.9	1,971.2
Men's (size 6 & larger)	91	na	69.6	81.4	1,793.8	1,966.1
Men's, type not specified*	na	na	x	x	16.1	5.1
Women's, total	--	--	--	--	1,374.4	1,994.1
Women's (size 4 & larger)	126	na	83.0	139.9	1,363.6	1,984.3
Women's type not specified	na	na	x	x	10.8	9.8
Footwear except rubber n.e.c. (SIC 3149)	na	na	x	x	426.6	721.7
Athletic, except rubber sole/fabric upper (size 4 & larger)	25	30	9.4	16.6	130.6	219.3
Other*	55	na	36.5	54.0	272.5	462.7
Type not specified	na	na	x	x	23.5	39.7
Rubber & plastics footwear (SIC 3021)	na	na	x	x	536.0	662.6
Protective footwear	na	14	x	x	130.4	121.8
Rubber & plastics footwear, n.s.k.	na	na	x	x	18.1	4.7

na not available
n.s.k. not specified by kind
x not applicable
(D) Withheld to avoid disclosure of data for individual companies. Data is included in higher level totals.
* Includes non-rubber footwear for youths and boys, misses, children and infants.
**f.o.b. plant

Source: U.S. Bureau of the Census: 1987 Census of Manufactures (Preliminary Report, Industry Series) MC87-1-31A-(P) and MC87-1-30A(P)

The Census Bureau's annual current industrial reports cover shipments of footwear (latest available) in greater detail than contained in available census of manufactures reports.

PRODUCT SHIPMENTS

The value of U.S. manufacturers' shipments of footwear of all types in 1987, registered a decline of 1.8% compared with 1986, while the quantity shipped was off (-3.7%). Shipments of non-rubber footwear as a whole declined 8.0% in quantity, 2.4% in value, with most types registering declines, particularly women's footwear. Children's reversed the trend by gaining 15% in shipments, and 17% in value.

Quantity & Value of Shipments of Footwear By All Producers: 1986, 1987
By Type of Footwear

	Pairs (thous.)		Value (mil. $)		% Change 1987/86	
	1987	1986(r)	1987	1986(r)	Pairs	Value
Footwear, total	302,971	314,747	$3,939.4	$4,012.9	- 3.7%	- 1.8%
Nonrubber footwear	224,252	243,847	3,485.7	3,573.1	- 8.0	- 2.4
Shoes	170,039	185,607	3,286.0	3,397.3	- 8.3	- 3.2
Men's (except athletic)	55,712	59,080	1,630.9	1,727.1	- 5.7	- 5.5
Dress & casual	32,774	34,892	807.0	833.9	- 6.0	- 3.8
Boots, dress & casual, including western	9,714	8,445	417.7	380.3	15.0	9.8
Workshoes & boots (incl. oxford)	13,224	15,743	411.1	512.8	-16.0	-19.8
Youths' & boys' (exc. athletic)	2,387	2,893	27.0	32.7	-17.4	-17.4
Women's (except athletic)	78,529	82,354	1,341.1	1,304.9	- 4.6	2.7
Sandals	4,912	8,248	70.1	103.9	-40.4	-32.5
Dress & casual, except sandals	68,070	68,029	1,120.1	1,053.1	- 0.06	6.3
Boots (ankle height or higher)	5,547	6,077	150.7	147.8	- 8.7	1.9
Misses' shoes & boots (exc. athletic)	3,293	3,530	37.0	40.1	- 6.7	- 7.7
Children's shoes & boots (except athletic)	6,113	5,334	65.8	56.1	14.6	17.2
Infants' & babies' shoes	13,775	19,886	82.0	86.6	-30.7	- 5.3
Athletic footwear	8,095	9,479	88.9	123.8	-14.6	-28.1
All other	2,135	3,051	13.1	25.6	-30.0	-48.8
Slippers	54,213	58,240	199.7	175.8	- 6.9	13.5
Men's, youths', boys'	4,984	6,053	28.6	36.2	-17.6	-20.9
Women's & misses'	44,962	47,261	16.6	130.6	- 4.8	23.7
Children's, infants'	4,267	4,926	9.4	8.9	-13.3	5.6
Rubber/plastic footwear						
Rubber/plastic soles/fabric upper shoes, total	66,982	59,074	339.5	325.7	13.3	4.2
Protective footwear	11,737	11,826	114.1	113.9	- 0.7	0.1
Rubber upper	6,866	6,502	80.1	75.4	5.5	6.2
Boots	3,066	2,457	37.3	31.6	24.7	18.0
Lumberman & pecs	1,057	1,013	20.4	19.1	4.3	6.8
Arctics & gaiters	1,296	1,512	11.8	13.8	-14.2	-14.4
Rubbers, light & heavy	1,447	1,520	10.5	10.8	- 4.8	- 2.7
Plastic upper	4,211	4,118	26.0	25.6	2.2	1.5
Slush molded	(D)	1,303	(D)	9.8	--	--
Injection molded	2,452	2,815	11.6	15.7	-12.8	-26.1
Fabric upper	660	1,206	1.1	12.9	-45.2	-91.4

(D) Data withheld to avoid disclosure for individual companies.
(r) revised
Note: Percentages are calculated on unrounded totals.

Source: U.S. Bureau of the Census:
Current Industrial Reports, MA31A

PRICE TRENDS

Producer (U.S. Factory) Prices

In May 1989, U.S. factory prices for non-rubber footwear were 4.9% higher than May of 1988, with the sharpest rise (7.2%) noted for children's footwear. In comparing year end December 1988 with figures from December 1987, U.S. Factory prices rose for all listed categories. A sharp rise (13.5%) was noted in sole leather prices.

Summary of Producer Price Indexes: May 1989, December 1988
(1982=100)

	Sole Leather	Upper Leather	Non-rubber Footwear Total	Men's	Women's	Children's	Rubber/ Plastic Footwear
May 1989	163.5	156.3	119.8	125.2	114.0	123.5	120.1
Dec. 1988	177.4	152.1	117.2	122.6	113.0	117.1	116.2
% Change:							
May 1989/88	- 7.3%	- 6.1%	4.9%	6.2%	2.8%	7.2%	4.6%
Dec. 1988/87	13.5%	1.8%	5.2%	7.0%	3.5%	6.1%	2.7%

Detailed reports covering U.S. producer price indexes for specific types of footwear for May 1989 show a wide range of change in the past year. Compared with a year ago, the sharpest rise (14.3%) was noted in men's non-leather upper footwear. Athletic footwear prices surged almost 12%.

Producer (Factory) Prices For Specific Types of Footwear
(1982=100)

	Seasonally Unadjusted Indexes May 1989	Dec. 1988	Percent Change May 1989 from May 1988	April 1989
Footwear, non-rubber	119.8	117.2	4.9%	0.3%
Men's footwear	125.2	122.6	6.2	-0.2
Men's leather upper footwear	126.3	123.7	5.3	-0.6
Dress & casual shoes	125.0	124.6	4.1	-1.4
Boots	117.4	114.6	6.6	-0-
Work shoes or boots	133.9	128.2	5.9	0.3
Men's non-leather upper footwear	114.5	111.6	14.3	1.9
Women's footwear	114.0	113.0	2.8	-0.1
Women's leather upper footwear	115.1	114.0	3.2	-0-
Dress shoes	112.8	112.7	2.1	-0-
Casual shoes	125.9	123.7	5.4	-0-
Slippers (except slipper socks)*	163.2	147.5	8.8	-0-
Boots	108.4	108.5	1.3	-0-
Women's plastic upper footwear	109.9	109.4	2.4	-0.1
Dress shoes	103.0	103.4	-0.3	-0.2
Casual shoes	110.6	109.1	4.9	-0-

(continued)

PRICE TRENDS

Producer (U.S. Factory) Prices

Producer (Factory) Prices For Specific Types of Footwear

(1982=100)
(continued)

	Seasonally Unadjusted Indexes		Percent Change May 1989 from	
	May 1989	Dec. 1988	May 1988	April 1989
Other non-leather upper footwear	126.3	124.7	2.0	-0-
Casual shoes	103.3	104.3	1.2	--
Slippers (except slipper socks)*	118.7	118.3	0.9	--
Children's footwear (Sizes 8 1/2 - 12)	123.5	117.1	7.2	1.8
Leather upper footwear	129.0	121.4	6.8	2.1
Misses' footwear (Sizes 12 1/2 - 2 1/2)	119.7	113.4	6.1	5.2
Leather upper footwear	123.5	113.5	8.2	8.2
Youths', boys' footwear (Sizes 12 1/2 - 6)	115.2	115.2	3.0	-0-
Infants', babies footwear (Sizes 1 - 8)	121.5	118.6	2.9	-0-
Leather upper footwear	125.0	121.2	3.1	-0-
Athletic footwear	123.1	110.1	11.8	5.9
Footwear rubber/plastics	120.1	116.2	4.6	1.3
Protective footwear	124.6	120.3	6.9	-0-

* Base period June 1985 = 100.

Source: U.S. Department of Labor,
Bureau of Labor Statistics
(Commodity Groupings & Individual Items)

Import Prices

The Bureau of Labor Statistics compiles quarterly indexes on prices of imported footwear, including cost, insurance, freight (c.i.f.). A comparison of June 1989 prices with those of June 1988 show a slight 1.2% decline for the footwear industry. This drop in prices reverses a 7.6% increase noted when figures from June 1988 were compared with June 1987. In order to remedy the problem of rising manufacturing costs, many foreign producers have shifted production to countries with cheaper labor, while some foreign suppliers have cut prices to remain competitive in the market.

PRICE TRENDS

Import Prices (continued)

Trends in Footwear Import Price Indexes

	Index (1985=100)		Percent Change				
			Annual	Quarterly			
	June 1989	Mar. 1989	June 88/ June 89	June 88/ Sept. 88	Sept. 88/ Dec. 88	Dec. 88/ Mar. 89	Mar. 89/ June 89
Footwear	128.0	127.2	-1.2%	-1.2%	0.9%	-1.5%	0.6%
Athletic	121.9	121.6	0.1	0.4	-1.3	0.7	0.2
Rubber & plastic	101.6	100.7	-2.6	0.6	-2.1	-1.9	0.9
Leather	127.5	126.9	-1.5	-2.5	2.6	-2.0	0.5

Source: U.S. Department of Labor,
Bureau of Labor Statistics

MARKET SUPPLY

Summary of Developments in Components of U.S. Footwear New Supply

Based on Quantity	Percent Change From Year-Earlier Period				Imports
	Domestic Production	Imports	Exports	New Supply*	% of New Supply
Non-rubber footwear					
1st quarter 1989(p)	2%	-12%	-24%	- 9%	81%
4th quarter 1988(p)	3	- 6	32	- 4	80
Year: 1988(p)	- 4	- 4	49	- 4	82
1987	- 6	-0-	23	- 2	82
1986	- 9	12	5	7	80
1982	- 3	28	-21	13	58
Rubber/plastic footwear					
1st quarter 1989(p)	- 5	47	50	29	74
4th quarter 1988(p)	1	40	-0-	25	69
Year: 1988(p)	15	32	12	26	67
1987	20	21	-20	21	64
1986	5	17	25	12	64
1982	- 3	-29	-0-	-18	52

(continued)

MARKET SUPPLY

Summary of Developments in Components of U.S. Footwear New Supply
(continued)

Based on Value**	Percent Change From Year-Earlier Period				Imports % of New Supply
	Domestic Production	Imports	Exports	New Supply*	
Non-rubber footwear					
1st quarter 1989(p)	19	-14	-20	- 3	63%
4th quarter 1988(p)	12	- 2	44	2	64
Year: 1988(p)	6	10	62	8	69
1987	- 2	11	41	6	67
1986	- 9	14	18	4	64
1982	26	24	-15	26	40
Rubber/plastic footwear		(not reported)			

(p) preliminary
* Also referred to as "apparent consumption"
**Covers value of U.S. factory shipments, f.o.b. plant. Import values are based on customs value (price paid abroad); export values are f.a.s. port of export in the U.S.

Source: U.S. International Trade Commission: Non-rubber Footwear Quarterly Statistical Report (June 1989)

A summary of new market supply with more detail on components, and import values which include U.S. import duties as well as cost, insurance and freight, is published by the Census Bureau, and available now for 1987.

Summary of Production, Exports, Imports & Apparel Consumption (New Supply) of Footwear: 1986, 1987

					Rubber/Plastic			
	Total Footwear		Non-rubber Footwear		Footwear		Protective Footwear	
Quantity (mils. of pairs)	1987	1986	1987	1986	1987	1986	1987	1986
Manufacturers' shipments	307.7	311.0	255.9	240.9	69.3	57.9	12.5	12.2
Exports	22.7	14.0	21.0	12.4	0.9	1.0	0.9	0.5
"807" imports*	na	31.9	na	6.7	na	25.1	na	0.2
Imports for consumption	1,066.6	1,050.2	937.5	940.3	119.5	99.1	9.6	10.7
Apparent consumption	1,351.6	1,347.2	1,142.4	1,168.8	187.9	156.0	21.4	22.3
Imports % of consumption	77.2%	76.9%	80.2%	79.4%	63.6%	63.5%	5.0%	47.9%

(continued)

MARKET SUPPLY

Summary of Production, Exports, Imports & Apparel Consumption (New Supply) of Footwear: 1986, 1987
(continued)

	Total Footwear		Non-rubber Footwear		Rubber/Plastic Footwear		Rubber/Plastic Protective Footwear	
Value (mils. of $)	1987	1986	1987	1986	1987	1986	1987	1986
Shipments, f.o.b. plant	$3,939.5	$4,013.0	$3,485.8	$3,5732	$339.6	$325.8	$114.1	$114.0
Exports	186.0	131.9	171.5	118.2	10.7	11.1	3.8	2.6
"807" imports*								
U.S. content (components)	na	41.6	na	13.7	na	27.8	na	0.1
Total value**	na	125.3	na	82.9	na	41.2	na	1.2
Imports for consumption#	7,618.8	7,403.9	7,248.0	7,018.6	319.4	310.0	51.4	75.3
Apparent consumption (new supply)	11,372.3	11,285.0	10,562.3	10,473.6	648.3	624.7	161.7	186.7
Imports % of consumption	65.4%	65.6%	67.0%	67.0%	49.3%	49.6%	31.8%	40.3%

na not available

* Represents footwear which is cut in the U.S., sent outside the country (to Caribbean Basin countries and Mexico) to be assembled, and then returned to the U.S. under 807 of the Tariff Schedules of the U.S., and is included in domestic output, imports and exports.

** Total c.i.f. (cost, insurance, and freight) value which includes the value of the U.S. fabricated components and foreign processing.

# Represents the c.i.f. value at first port of entry in the U.S. plus import duties.

Source: U.S. Bureau of the Census:
Current Industrial Reports, Footwear MA31A(87)

FOREIGN TRADE

Imports

According to the International Trade Commission, the U.S. trade deficit in footwear increased 11% in 1988 over the previous year to a record $8 billion. Overall, footwear imports were up only 0.2% in units; however, the dollar value of these imports increased 10.9%.

There was a 3.8% decline in non-rubber footwear imports (units), marking the second consecutive year a drop occurred in this category. Imports, however, of rubber footwear grew 26.1% for the year, while value rose for both non-rubber and rubber categories at 10.1% and 25.8%, respectively. Such a rise in dollar value can be attributed to the depreciation of the dollar against foreign currencies, as well as the higher prices of leather.

Imports (continued)

Most of the dollar growth in footwear imports occurred in the athletic shoe category, which continued to expand in a difficult retail climate. Value of athletic shoes/imports jumped 29.7%, and pairs were up 16.4%. The International Trade Commission estimates almost 85% of rubber shoe imports to consist of footwear with fabric uppers and rubber or plastic soles (including sneakers and certain joggers.) Imports in this category accounted for 67% of the U.S. market in this segment. The wider variety of styles, as well as the increased marketing of sneakers as comfortable and fashionable, has contributed to its rise in popularity in the U.S. and thus to its growth in imports.

According to the International Trade Commission, during the first quarter of 1989, U.S. imports of non-rubber footwear declined 12% in quantity and 14% in value from year-earlier levels. Rubber footwear imports, however, rose by 47% to 59 million pairs. Comparisons of imports in 1989 with those of 1988 should not be read too literally because of the government's shift to a new Harmonized System in 1989, according to a commerce department official. Under this new tariff system, the number of import categories for non-rubber footwear rose to 175 from 128, and rubber footwear categories increased to 91 from 9.

Quantity and Value of U.S. Footwear Imports: 1987, 1988
(Quantity in mils. of pairs; value in thous. of dollars)

	Pairs		% Change	Customs Value*		% Change
	1988	1987(rev)	1988/87	1988	1987(rev)	1988/87
Grand total+	1,087,613.4	1,085,199.7	0.2%	$7,992,492.3	$7,210,023.9	10.9%
Rubber, total (incl. zories, boots)						
Protective, athletic/ fabric uppers	185,875.0	147,483.8	26.1	437,026.6	347,470.8	25.8
Non-rubber total+	901,738.4	937,715.9	- 3.8	7,555,465.7	6,862,553.1	10.1
Men's & boys, total	265,361.5	258,494.5	2.7	2,904,596.1	2,363,359.2	22.9
Women's & misses', total	502,626.2	549,163.8	- 8.5	3,859,886.4	3,798,589.4	1.6
Children's & infants, total	94,859.4	89,651.2	5.8	421,499.0	337,914.6	24.7
Type not specified, total	38,891.2	40,406.4	- 3.8	369,484.9	362,689.9	1.9
Dress & casual footwear, total	488,929.4	534,026.8	- 8.4	4,154,007.0	4,173,540.5	- 0.5
Leather uppers, total (n)	289,097.1	292,039.7	- 1.0	3,270,979.3	3,162,152.9	3.4
Men's & boys'	61,780.8	65,225.3	- 5.3	916,375.8	877,284.1	4.5
Women's & children's	224,089.9	223,095.0	0.4	2,329,458.4	2,258,762.3	3.1
Others, not specified	3,226.4	3,719.4	-13.3	25,145.1	26,106.5	- 3.7
Lined vinyl uppers, total (n)	199,832.3	245,702.8	-18.7	883,027.7	1,011,387.6	-12.7
Men's & boys'	28,710.3	34,273.8	-16.2	141,088.7	152,572.9	- 7.5
Women's & misses'	146,757.8	185,293.9	-20.8	658,964.8	779,370.2	-15.4
Children's & infants'	24,364.1	26,135.1	- 6.8	82,974.2	79,444.4	4.4

(continued)

FOREIGN TRADE

Imports (continued)

Quantity and Value of U.S. Footwear Imports: 1987, 1988
(Quantity in mils. of pairs; value in thous. of dollars)
(continued)

	Pairs		% Change	Customs Value		% Change
	1988	1987(rev)	1988/87	1988	1987(rev)	1988/87
Athletic, total	391,076.1	336,119.4	16.4%	2,870,810.6	2,213,186.8	29.7%
Leather uppers, total (n)	181,878.2	157,273.2	15.6	2,098,221.3	1,555,085.6	34.9
Men's & boys'	107,279.0	93,637.6	14.6	1,340,474.9	999,183.3	34.2
Women's & children's	74,470.9	63,506.3	17.3	754,613.5	553,089.9	36.4
Ski boots	128.3	129.3	- 0.8	3,132.9	2,812.4	11.4
Fabric uppers, total (r)	156,990.9	119,526.5	31.3	377,362.5	294,580.8	28.1
Joggers	10,434.2	9,839.0	6.0	53,942.8	47,435.4	13.7
Sneakers	100,236.6	66,091.1	51.7	251,368.0	180,386.3	39.4
Others	46,320.1	43,596.4	6.2	72,051.7	66,759.2	7.9
Lined vinyl uppers, total (n)	52,207.0	59,319.7	-12.0	395,226.8	363,520.4	8.7
Men's & boys'	27,246.2	27,164.4	0.3	175,156.0	140,100.8	25.0
Women's & misses'	16,020.1	21,210.3	-24.5	88,671.9	94,088.8	- 5.8
Children's & infants'	6,955.3	8,784.5	-20.8	29,732.7	32,585.6	- 8.8
Ski boots	1,985.5	2,160.5	- 8.1	101,666.2	96,745.2	5.1
Work footwear, leather, total (n)	11,633.3	11,513.8	1.0	170,912.5	156,630.8	9.1
Boots & protective footwear, (r)	8,956.5	9,622.0	- 6.9	51,428.3	46,898.8	9.7
Other footwear, total	187,018.0	189,688.3	- 1.4	745,583.4	616,329.1	21.0
Unsupported rubber or plastic: (n)	77,379.9	86,724.9	-10.8	301,655.3	329,692.7	- 8.5
Men's & boys'	13,758.3	14,519.9	- 5.2	63,052.7	60,857.8	3.6
Women's & misses'	53,944.3	62,865.6	-14.2	213,720.3	244,263.4	-12.5
Children's & infants'	9,677.3	9,339.4	3.6	24,882.3	24,571.4	1.3
Zories (thonged sandals) (r)	19,927.6	18,335.3	8.7	8,235.8	5,991.1	37.5
Fiber uppers (n)	43,432.1	46,297.4	- 6.2	120,003.1	129,135.9	- 7.1
Wood (n)	127.4	94.2	35.2	803.2	716.9	12.0
Others (n)	46,151.0	38,236.5	20.7	314,886.0	150,792.6	108.8

* Customs value is the price paid for the merchandise in country of origin
+ Excluding disposable footwear and parts
(n) non-rubber
(r) rubber
(rev) revised

Source: Footwear News, July 24, 1989

Imports (continued)

Although Taiwan maintained its position as the leading source of non-rubber footwear imports to the U.S. in 1988, total pairs coming from this country actually decreased 19% from the previous year. Value of these imports also dropped for the first time in the 1980's, a total of 3.8%, despite a rise in the average value per pair of its shoes. Rising manufacturing costs have caused such countries as Taiwan and Korea to shift production of shoes to other countries with cheaper labor, particularly China and Thailand. As a result, a significant increase in pairs and value coming from China and Thailand have been reported. The decline in imports from Italy and Spain may be attributed to the drop in the value of the dollar, as well as higher prices of leather used for the higher grade of shoes coming from these countries.

Preliminary data from the International Trade Commission indicates a decline in imports from Taiwan and Korea during the first quarter of 1989, amounting to 21% and 30%, respectively, over year-earlier levels. Shipments from China continued to grow substantially, however, the biggest jump in imports came from Indonesia, with a growth rate of 303% in quantity to 1.9 million pairs.

Leading Sources of Imports of Non-rubber Footwear Imports: 1988
(Quantity in millions of pairs, value in millions of $)

	Customs Value				Pairs		
	Value (mil. $)	Share of Total	Avg. Value Per Pair	% Change 1988/87	Pairs (mil.)	Share of Total	% Change 1988/87
Total+	7,555.4	100.0%	$ 8.37	10.1%	903.1	100.0%	- 3.7
All Other	423.0	5.6	11.88	26.5	35.6	3.9	0.0
Subtotal Top 11 Countries	7,132.4	94.4	8.22	- 9.3	867.5	96.1	- 3.8
Taiwan	2,255.4	29.9	6.52	3.5	346.0	38.3	-19.0
Republic of Korea	2,081.7	27.6	10.83	31.4	192.2	21.3	0.2
Brazil	949.9	12.6	8.41	3.3	112.9	12.5	4.3
Italy	824.9	10.9	18.54	- 2.4	44.5	4.9	- 6.7
Spain	356.1	4.7	15.48	- 5.9	23.0	2.5	-18.4
China	248.6	3.3	2.90	156.8	85.6	9.5	81.0
Hong Kong	138.0	1.8	5.90	13.2	23.4	2.6	-18.2
Thailand	100.1	1.3	6.46	153.4	15.5	1.7	98.7
Mexico	73.4	1.0	8.34	21.7	8.8	1.0	23.9
Yugoslavia	70.9	0.9	12.22	57.2	5.8	0.6	52.6
Philippines	34.2	0.5	3.49	45.5	9.8	1.1	42.0

+ Includes disposable footwear and parts

Source: U.S. International Trade Commission:
Non-rubber Footwear Quarterly Statistical Report

Exports

Approximately 33 million pairs of shoes were exported from the U.S. in 1988, registering a 45.5% rise over 1987. Value of these exports at $241.5 million also had an increase of 29.9%. Such growth was encouraged by the weaker U.S. dollar, as U.S. producers found it easier to compete in high cost, developing country markets, according to the U.S. Department of Commerce. The popularity of U.S.-branded footwear that portrays American image and lifestyle, as well as aggressive export compaigns undertaken by U.S. manufacturers, have also contributed to this increase.

Exports (continued)

Most of this growth was generated by non-rubber shoes, exports of which have grown annually since 1984. The International Trade Commission estimates non-rubber shoe exports to total 22 million pairs in 1988, growing 49% over 1987. Substantial increases were shown in the misses' & children's leather uppers category, as well as for plastic protective shoes, and athletic leather uppers. Almost 25% of total exports were partially assembled footwear, shipped to other countries to be finished and then re-exported back to the U.S.

Canada, Italy and Japan were the major recipients of U.S. footwear in 1988. According to the U.S. Industrial Outlook, footwear exports from the U.S. are expected to rise when Canada removes import quotas on women's and children's footwear, and initiates scheduled duty reductions mandated in the U.S.-Canada Free Trade Agreement.

Quantity and Value of U.S. Footwear Exports: 1987-1988

(Pairs in thousands, value in thousands of dollars)

	Pairs		% Change	Value		% Change
	1988	1987	1988/87	1988	1987	1988/87
Grand total	33,026.0	22,711.0	45.4%	$241,511	$185,965	29.9%
Footwear, leather uppers	3,108.8	2,511.3	23.8	73,460	54,493	34.8
Men's	1,829.1	1,323.1	38.2	56,544	38,882	45.4
Women's	1,119.6	1,104.2	1.4	15,716	14,858	5.8
Misses' & children's	107.8	39.3	174.6	784	365	114.8
Youths	52.4	44.7	17.1	416	388	7.2
Footwear, textile uppers	762.3	811.9	- 6.1	8,424	10,060	-16.3
Men	542.0	577.2	- 6.2	6,796	8,656	-21.5
Women	192.1	193.1	- 0.5	1,338	1,186	12.8
Children	28.2	41.6	-32.1	290	218	33.0
Footwear, not specified	4,635.4	2,922.2	58.6	42,306	31,528	34.2
Protective footwear	1,064.1	783.9	35.7	4,093	3,814	7.3
Rubber	575.5	532.1	8.2	2,554	2,315	10.3
Plastic	488.6	251.8	94.1	1,539	1,499	2.7
Athletic footwear	7,661.3	6,007.7	27.5	100,348	78,193	28.3
Leather uppers	1,811.1	722.7	150.6	30,959	11,955	159.0
Joggers & running shoes	1,917.4	2,044.0	- 6.2	24,604	23,002	7.0
Athletic, not specified	3,932.8	3,241.0	21.3	44,785	43,236	3.6
Slippers	2,988.0	3,271.9	- 8.7	2,376	1,543	54.0
Unassembled footwear	12,806.0	6,402.1	100.0	10,504	6,334	65.8

Source: U.S. Department of Commerce,
Bureau of the Census: U.S. Exports (FT 410)

AT THE RETAIL LEVEL

The Potential Market

Market prospects are enhanced by current demographic trends. The fastest growing segment of the population between 1988 and 2005 will be the 35-54 year old age group. This group is the most interested in sports participation, in fitness, and in fashionable footwear; and it is in its prime earning years. As this group grows, sales of athletic footwear are expected to grow.

Currently, the 35-54 year age group represents 24.2% of the U.S. population. By 2005, it is expected to increase to 29.7%.

With the generally accepted income-sensitivity of the sporting goods market, the influx of women into the work force is also aiding the boost in sales. As more and more women join the labor force, the median household income has risen dramatically.

Population Projections: 1988, 1995, 2005
As of July 1
(Middle Series*)

	Number (Thousands)			% Change	Percent Distribution		
	1988	1995	2005	2005/1988	1988	1995	2005
MALE							
Total, all ages	120,054	127,123	134,858	12.3%	100.0%	100.0%	100.0%
Under 5 years	9,351	9,118	8,517	- 8.9	7.8	7.2	6.3
5 to 9 years	9,218	9,609	8,832	- 4.2	7.7	7.5	6.5
10 to 15 years	10,229	11,562	11,524	12.7	8.5	9.1	8.5
16 years & over	91,255	96,834	105,984	16.1	76.0	76.2	78.7
16 - 19	7,598	7,077	7,963	4.9	6.3	5.6	5.9
20 - 34	31,813	29,409	27,744	-12.8	26.5	23.1	20.6
35 - 54	29,216	36,396	41,044	40.5	24.3	28.6	30.4
55 - 64	10,273	10,149	14,321	39.4	8.6	8.0	10.6
65 & over	12,356	13,803	14,907	20.6	10.3	10.9	11.0
85 & over	851	1,110	1,543	81.3	0.7	0.9	1.1
Median age (years)	31.2	33.6	36.5	17.0	--	--	--
FEMALE							
Total, all ages	125,955	133,016	140,746	11.7	100.0%	100.0%	100.0%
Under 5 years	8,918	8,681	8,094	- 9.2	7.1	6.5	5.7
5 to 9 years	8,795	9,151	8,396	- 4.5	7.0	6.9	6.0
10 to 15 years	9,728	11,000	10,939	12.4	7.7	8.3	7.8
16 years & over	98,554	104,184	113,317	15.0	78.2	78.3	80.5
16 - 19	7,290	6,775	7,620	4.5	5.8	5.1	5.4
20 - 34	31,439	29,036	27,361	-13.0	24.9	21.8	19.4
35 - 54	30,255	37,238	41,527	37.3	24.0	28.0	29.5
55 - 64	11,527	11,175	15,442	34.0	9.1	8.4	11.0
65 & over	18,043	19.961	21,367	18.4	14.3	15.0	15.2
85 & over	2,166	2,802	3,788	74.9	1.7	2.1	2.7
Median age (years)	33.5	35.8	39.2	17.7	--	--	--
Total population:							
Median age (years)	32.3	34.7	37.8	17.0	--	--	--

(continued)

THE POTENTIAL MARKET

(footnotes for previous table)

* The median is the middle of a series of three different projections, each based on alternative assumptions for future fertility, mortality, and net immigration levels, none of which can be forecasted exactly. Figures include Armed Forces overseas.

Note: Columns may not add to totals shown due to rounding.

Source: U.S. Bureau of the Census: Current Population Reports,
Population Projections of the U.S. by Age, Sex and Race, 1988 to 2080
(Series P-25, No. 1018)

RETAIL TRADE

Consumer Expenditures

The Bureau of Economic Analysis, U.S. Department of Commerce, traces the flow of goods and services from source through to the consumer, and reports the supply in terms of a retail value representing personal consumption expenditures. The procedure yields figures higher than sales through retail outlets since it values all goods reaching the consumer, including through other than retail outlets.

Personal consumption expenditures are reported by the BEA in current dollars and in a constant (1982) dollars.

Personal Consumption Expenditures for Footwear: 1985-1988
(Millions of dollars)

	1989(p)*						
	2nd Qtr.	1st Qtr.	1988(p)	1987(r)	1986	1985	% Change 1988/85
Footwear, total							
Current $	$29.1	$27.8	$26.7	$25.7	$24.3	$22.9	16.6%
Constant (1982 $)	25.4	24.2	24.1	24.2	23.7	22.2	8.6

* Seasonally adjusted annual rate.
(p) preliminary (r) revised

Source: U.S. Department of Commerce--National Income & Wealth Division,
Bureau of Economic Analysis

The Bureau of Labor Statistics, Department of Labor, conducts an on-going consumer expenditure survey covering a national probability sample of U.S. households to develop information on spending patterns for use in revising weightings used in compiling the Consumer Price Index.

Drawing on the patterns reported by the BLS in spending for footwear, applied to Bureau of Economic Analysis data on personal consumption expenditures (larger than retail sales since this measurement has broader coverage), the following pattern is developed.

Consumer Expenditures (continued)

Estimated Distribution of Personal Consumption Expenditures For Footwear By Type: 1987, 1988
(Millions of dollars)

	1988	1987
Total footwear	$26,750	$25,687
Men's footwear	8,802	8,451
Women's footwear	12,572	12,073
Boys' footwear	2,728	2,620
Girls' footwear	2,648	2,543

Note: Expenditures are based on age of wearer, not shoe size.

Source: Estimates based on data reported by Bureau of Economic Analysis and by the Bureau of Labor Statistics

The BLS surveys represent spending by the civilian noninstitutional population of the U.S. and provide information on household expenditures in terms of demographics not otherwise available to marketers.

The 1987 survey showed that spending for footwear is above average in the West and in the Northeast, while the average per household is lowest in the Midwest. Other BLS data includes spending by age of household head, household income and size of household.

Pattern in Household Expenditures For Footwear, By Regions: 1987

	All U.S.	Households in the--			
	Households	Northeast	Midwest	South	West
Total number of households (thous.)	94,150	19,731	23,966	31,303	19,151
Percent of total households	100.0%	21.0%	25.5%	33.2%	20.3%
Footwear expenditures					
Mean expenditure*	$129.68	$131.00	$124.22	$129.21	$135.93
% reporting**	45.59%	44.26%	46.73%	45.32%	46.00%
Mens' footwear expend.*	42.72	40.97	41.04	43.76	44.92
% reporting**	17.39%	15.93%	18.26%	17.15%	18.17%
Boys' footwear expend.*	13.24	12.53	13.15	13.17	14.22
% reporting**	8.74%	7.34%	9.34%	8.86%	9.22%
Women's footwear expend.*	60.89	64.69	56.93	59.16	64.75
% reporting**	28.05%	28.39%	28.48%	27.48%	28.06%
Girls' footwear expend.*	12.83	12.81	13.11	13.12	12.04
% reporting**	9.11%	8.28%	9.48%	9.26%	9.24%

* Expenditures are the average (mean) reported for all households, including those with no spending for footwear in 1987 as well as households with footwear expenditures.

**The percent reporting covers the share of households actually spending for footwear in 1987.

Source: U.S. Bureau of Labor Statistics: 1987 Consumer Expenditure Survey

RETAIL TRADE

Consumer Prices

The Bureau of Labor Statistics issues monthly consumer price indexes covering a full range of goods and services purchased by consumers. Prices for footwear in all noted segments have increased, attributed partly to higher prices for imported shoes, which now account for 83% of the American footwear market. May 1989 prices (the latest month available), rose for all footwear when compared with May 1988, the highest occurring in the men's shoe category.

Kurt Salmon Associates, Inc. reported consumer spending on footwear in 1988 showed no gain after factoring in a 4.6% price increase, but they anticipate a real gain of 1-2% in 1989, even with anticipated price hikes.

Consumer Price Indexes on Footwear for all Urban Consumers
(Base Period 1982-1984=100)

	May 1989	Dec. 1988	% Change May 1989/88	Annual Average 1988	Annual Avg. % Change 1988/87
All footwear	114.9	113.5	4.7%	109.9	4.6%
Men's	120.3	119.2	5.2	116.2	5.9
Women's	110.2	108.3	4.6	104.5	3.5
Boys' & girls'	115.3	114.7	4.2	111.1	5.2

Source: U.S. Bureau of Labor Statistics

Retail Outlets

Some of the larger U.S. footwear suppliers are involved with manufacturing in the U.S. and/or sourcing abroad, and also operate retail footwear companies in order to gain greater control over the marketing and distribution process.

An analysis of selected footwear retailers and those part of diversified companies was provided by Footwear News (July 17, 1989). Sales increased for all of the selected retailers in 1988, except for Edison Brothers, which showed a slight 1.3% decrease in sales. Net profit, however, fell substantially for Brown Group and Wiener Enterprises--82.3% and 57.7%, respectively.

Retailers owned by diversified companies increased their sales by 13.2% overall, and increased their net profit by 48.6% over 1987.

Leading Footwear Retailers' Operating Results
(Dollar figures in millions)

Company	Sales		Net Profit		Footwear's Contribution To Sales		Number of Shoe Stores	
	1988	% Change 88/87	1988	% Change 88/87	1988	1987	1988	1987
Brown Group	$1,706.6	8.6%	$ 8.3	-82.3%	88.5%	87.4%	4,116	4,000
Edison Bros. Stores	918.6	-1.3	36.3	na	50.0	57.1	1,116	1,150
Genesco Inc.	462.8	14.0	15.2	32.4	73.0	75.8	635	545
J. Baker, Inc.	249.5	24.4	8.1	9.0	100.0	100.0	702	639
Weiner Enterprises	88.1	4.0	0.4	-57.5	nr	nr	112	106
Retailers, total	3,425.6	7.2	68.2	25.4	--	--	--	--

na not available
nr not reported

Source: Footwear News, July 17, 1989

Retail Outlets (continued)

Diversified Companies Operating Results
(Dollar figures in millions)

Company	Sales 1988	Sales % Change 88/87	Net Profit 1988	Net Profit % Change 88/87	Footwear's Contribution To Sales 1988	Footwear's Contribution To Sales 1987
Hanson PLC (Endicott Johnson)	$12,506.6	10.7%	$1,895.6	96.0%	nr	nr
May Dept. Stores (Volume Shoe)	11,525.0	18.9	534.0	20.3	9.8%	11.0%
FW Woolworth (Kinney Shoe Corp.)	8,088.0	12.7	288.0	14.7	31.8	28.8
Melville Corp.	6,780.4	14.3	354.5	24.2	24.1	26.2
Emhart	2,762.5	12.6	126.6	18.9	nr	nr
Interco	2,012.0	--	70.2	-51.6	45.5	44.6
Diversified, total	43,674.5	13.2	3,268.9	48.6	--	--

nr not reported

Source: Footwear News, July 17, 1989

Data from the 1987 census of retail trade, which will show merchandise line sales by outlet type, is not available yet. According to the 1982 census, however, total sales of footwear and footwear accessories by retail outlets with payroll amounted to $17.0 billion. Of this total, shoe stores accounted for 64.4%; general merchandise stores, 19.4%; other outlets, 6.2%. Not including footwear accessories, shoe stores accounted for 71.1% of the $10.6 billion footwear sales in stores with payroll.

Retail Outlets: Shoe Stores

Monthly and annual sales figures for retail sales are compiled by the U.S. Bureau of the Census. In analyzing figures for shoe stores, total sales amounted to $5.9 billion during the first five months of 1989, an 8.4% rise over sales for the same period in 1988. Sales estimates include leased shoe departments as separate shoe stores rather than being included in the sales of lessors. The current reports are based on sample surveys of retailers.

Shoe Store Sales: Selected Years 1982, 1987, 1988
(Millions of current dollars)

	1988	1987(r)	1982	Percent Change 1988/87	Percent Change 1988/82	Percent Change 1987/82
Shoe stores, total	$14,473	$14,150	$11,419	2.3%	26.7%	23.9%
Stores in chains of 11 or more stores	$ 9,045	8,616	6,222	5.0	45.4	38.5

(r) revised

Source: U.S. Department of the Census, Bureau of the Census: Revised Monthly Sales and Inventories (BR88-R)

Retail Outlets: Shoe Stores (continued)

Monthly Pattern in Shoe Store Sales, 1986, 1987, 1988
(Percent of year's sales by months)

Year	Total	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1988	100.0%	6.3	6.0	9.0	8.2	8.3	7.8	7.4	9.3	8.6	8.2	8.6	12.3
1987(r)	100.0%	6.8	6.4	8.4	9.3	8.4	8.0	7.2	9.0	8.4	8.1	8.2	11.8
1986(r)	100.0%	6.5	6.2	9.0	8.0	8.7	7.8	7.2	9.6	8.4	8.4	8.8	11.5

(r) revised

Source: U.S. Bureau of the Census:
based on Monthly Retail Trade Reports

The National Shoe Retailers Association, Columbia, MD, compiles annual reports on shoe store operations. The latest report covers 1987 data and includes the following.

Reporting Shoe Stores: Selected Operating Ratios By Store Type: 1987
(Average Per Store)

	All Stores	Family	Men's	Women's	Children's
Net sales (average)	$437,072	$488,476	$440,396	$374,403	$357,915
1987/86 (avg.) Gain/Loss	+ 5.1	+ 5.0	+ 5.8	+ 4.7	+10.9
Initial markup (%)	54.1%	53.5%	58.1%	55.2%	56.7%
Gross margin (%)	44.6%	44.1%	46.5%	46.6%	49.6%
Markdowns (%)	20.5%	20.2%	26.4%	19.3%	16.5%
Stock turnover	2.1	2.0	2.0	2.2	1.8
Average square feet	2,478	3,240	1,221	1,216	1,234
Sales per square foot ($)	$ 173	$ 151	$ 361	$ 308	$ 290
Average inventory cost ($)	$117,976	$142,236	$117,332	$ 95,718	$101,855

Source: National Shoe Retailers Association:
1988 Shoe Store Operational Study

Reporting Shoe Store Expenses & Profits: 1985, 1987
(Percent of sales)

	1987	1985
Total sales	100.0%	100.0%
Cost of goods sold	56.8	56.4
Gross margin	44.0	43.0
Expenses	41.0	42.9
Operating income	3.6	1.0
Pretax net profit	4.7	2.6

Source: National Shoe Retailers Association:
1988 Shoe Store Operational Study

Retail Outlets: Shoe Stores (continued)

The annual County Business Patterns reports issued by the Census Bureau are a source of information on the number of shoe stores by employment size, and the latest issue currently available covers the year 1986. Compared with the count in 1982, a gain of 2,010 stores was noted in 1986.

Number of Shoe Stores By Employment Size Class: 1982, 1986

	Employment Size Class							
	Total		Under 20		20-99		100 or more	
	1986	1982	1986	1982	1986	1982	1986	1982
Number of stores	37,433	35,423	36,939	34,912	485	497	9	14
Number of employees	194,620	191,327	178,728	74,223	14,625	2,365	(D)	4,739
Annual Payroll (mil. $)	1,845.5	1,591.3	1,673.9	1,446.8	159.6	*	(D)	*

* Employment of 20 or more: $109.5 million
(D) Data withheld to avoid disclosure

Source: U.S. Bureau of the Census:
1986 County Business Patterns

Failures involving losses to creditors among shoe stores has been on a steady decline since 1984. There were 279 shoe store failures reported in 1988, 19 less than in 1987, cutting liabilities to half of the 1987 total.

Shoe Store Failures & Liabilities: 1980-1988

Year	Number	Liabilities ($000)
1980	80	$ 51,330
1981	116	12,148
1982	153	70,170
1983	236	29,876
1984	347	50,621
1985	310	26,113
1986	336	32,707
1987	298	54,434
1988	279	26,292

Source: Dun & Bradstreet, Inc.

Retail Outlets: Department Stores

Department stores, including traditional as well as discount department stores, and department stores operated by mail order or national chains, had footwear sales amounting to $2.7 billion in 1982, according to the latest census of retail trade. Not included in the department store figures are sales in leased departments.

Retail Outlets: Department Stores (continued)

Footwear accounted for 2.7% of total store sales that year, and based on the same percentage, in 1988 footwear sales in all types of department stores would have amounted to $4.2 billion, based on total department store sales of $154.0 billion.

Merchandising and operating results in the typical department store reporting to the National Retail Merchants Association for the year 1987 were reported as follows.

Merchandising & Operating Results of Footwear In Department Stores With Total Sales Over $2 Million, 1987
(Median results)

	Total All Footwear Depts. (130*)	Women's, Misses' & Junior' Footwear (25*)	Men's Footwear (19*)	Children' Footwear (19*)
Net sales, % change from last year	+ 8.5%	+ 10.1%	+14.6%	+ 6.4%
Sales, % to total store sales	4.7%	4.3%	0.8%	0.3%
$ sales per square foot of selling space (main or largest unit)	$205.0	na	na	na
Cumulative markon, %	50.7%	50.9%	48.6%	50.0%
Gross margin, % of sales (incl. cash discounts)	41.4%	42.1%	42.2%	38.8%
Advertising, % of net sales	3.0%	2.9%	na	3.8%
Selling salaries, % of net sales	9.2%	9.2%	na	na
Number of stock turns (times)	1.9	2.1	1.4	1.3

na not available

* Number in parenthesis refers to the number of companies reporting in each category.

Source: National Retail Merchants Association: Merchandising and Operating Results (1988 edition)

CONSUMER PURCHASE PATTERNS

While the Department of Commerce, Bureau of Economic Analysis, reports annual figures covering the value at retail of footwear reaching the consumer through any channel (personal consumption expenditures), sales through retail outlets (with payroll) are reported by the Census Bureau at five year intervals through the complete census of retail trade. (1987 census results will be published by the Commerce Department in 1990.)

CONSUMER PURCHASE PATTERNS

To fill the void, private services conduct tracking studies measuring consumer purchases among nationwide samples of U.S. households. These services include (The) Footwear Market Index (FMI), a service of Footwear Market Insights, Nashville, TN. FMI tracks footwear purchases on a regular basis, covering three four-month periods throughout the year. Purchase records cover 30,000 households reporting on female footwear and 30,000 reporting on male footwear. Following are findings on shoe types purchased, place of purchase, etc., based on purchases tracked in 1987 and 1988.

Note: Footwear classifications are based on shoe size, not age of wearer.

Estimated Spending for Footwear in Retail Outlets
(Millions of dollars)

	1988	1987	% Change 1988/87
Total	$26,554	$25,149	5.6%
Men's footwear*	10,470	9,420	11.1
Women's footwear*	13,288	12,938	2.7
Juvenile (boys', girls', infants') footwear	2,796	2,791	0.2

* Includes some expenditures for older boys and girls.

Projected Total Purchases By Type of Footwear
(Pairs in millions)

	1988	1987	% Change 1988/87
Non-athletic	594.2	606.2	- 2.0%
Athletic/tennis	383.8	349.2	9.9

Distribution of Footwear Purchases (Pairs) By Market Segment: 1987, 1988

	1988	1987	% Change 1988/87
Total footwear purchases	100.0%	100.0%	--
Men's	28.0	26.5	5.7%
Women's	53.6	54.7	- 2.0
Boys'	6.9	7.3	- 5.5
Girls'	5.7	6.0	- 5.0
Infants'	5.7	5.5	3.6

Source: Footwear Market Insights: Footwear Market Index (FMI)

Distribution of Purchases of Non-rubber & Rubber/Fabric Footwear By Type of Shoe: 1987, 1988

Shoe Types:	Total		Men's		Boys'		Women's		Girls'		Infants'	
	1988	1987	1988	1987	1988	1987	1988	1987	1988	1987	1988	1987
Total (mil. pairs)*												
Percent	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Dress	27.7	28.1	24.7	25.8	11.1	12.1	33.0	32.7	22.7	24.0	20.5	21.2
Casual	14.8	14.9	10.7	11.4	5.6	6.3	30.9	32.2	19.8	21.7	18.1	15.5
Athletic/tennis	39.6	35.0	48.3	45.3	77.2	75.6	27.4	25.4	49.8	45.8	54.2	52.3
Work/duty	4.6	4.8	10.7	11.8	1.2	1.2	2.8	2.8	0.3	0.4	--	--
Western/casual Boot	1.3	1.4	2.2	2.3	1.3	1.6	0.8	1.0	1.3	0.9	--	--
Other	12.0	15.8	3.3	3.5	3.6	3.2	5.0	5.8	6.1	7.2	7.2	11.0

*Includes rubber and rubber/fabric footwear except slippers or protective footwear

Distribution of Total Footwear Purchases (Pairs) By Place of Purchase: 1988, 1987

	Men's		Women's		Boys'		Girls'	
	1988	1987	1988	1987	1988	1987	1988	1987
Total	100%	100%	100%	100%	100%	100%	100%	100%
Department stores	8.7	7.9	15.0	13.9	8.1	7.1	7.3	6.5
Apparel specialty	2.3	1.9	2.1	1.8	1.3	1.2	1.2	1.1
Sporting goods/pro shops	8.1	8.5	2.7	2.7	3.1	3.9	1.0	1.3
Shoe stores*	32.9	33.8	36.1	37.9	38.1	39.3	42.1	39.2
Mail order	4.4	4.1	2.7	2.5	0.2	0.3	0.3	0.1
Factory outlets	2.6	3.2	2.6	2.7	1.2	1.4	1.0	1.3
Discount stores	20.6	20.0	19.9	19.1	32.7	29.9	33.6	35.6
Sears, Penney's, Ward's	12.6	13.3	10.8	11.4	10.1	11.3	8.7	10.1
All other outlets	7.6	7.5	8.1	8.0	5.0	5.6	4.7	4.9

* Also includes Thom McCann/Kinney, athletic and self service shoe stores

Source: Footwear Market Insights:
Footwear Market Index (FMI)

CONSUMER PURCHASE PATTERNS

The percentage of men and women in the U.S. population who purchased footwear in the last 12 months has been compiled for 1988 by Mediamark Research, Inc. This source also compiles this information for major metropolitan markets.

Percent of Men & of Women Purchasing Specified Footwear Types In a 12-Month Period

	% Purchasing	
	Men	Women
Dress Shoes	24.3%	43.3%
Casual/leisure shoes	13.6	30.1
Athletic shoes	30.2	30.4
Work boots	14.0	nr
Canvas shoes	nr	9.7

nr not reported

Source: Newspaper Advertising Bureau, Inc. based on Mediamark Research, Inc. (1988)

Every two years, Seventeen magazine conducts a survey among a cross-section of young women who are members of their Consumer Panel on fall/winter wardrobes--particularly purchases for going back to school. The most recent survey was conducted in 1988. Findings represented a nationwide total of 15,477,000 total females aged 13-21. Projected spending for footwear totaled $3.2 billion. 98.5% of the purchases had purchased shoes, and 41.3% had purchased boots for back-to-school wear.

Back to School Footwear Purchases by Teenage Females

	No. of Pairs	Expenditures
Projected total (thousands)	106,119	$3,193,190
Percent	100.0%	100.0%
Types of footwear purchased:		
Athletic footwear	33.4	32.2
Tennis sneakers/shoes	8.4	6.5
Aerobic shoes	5.1	6.4
Running/jogging shoes	3.5	4.7
High-top sneakers	3.4	4.3
Walking shoes	1.8	1.6
All other athletic	11.2	8.7
Other footwear	55.2	53.2
Pumps	17.8	17.4
Closed flats	16.6	16.5
Sandals	5.6	4.1
Formal shoes	3.5	4.4
All other footwear	11.7	10.8
Boots	9.4	13.7
Slippers	2.0	0.9

Source: Seventeen Magazine: Back-to-School/Fall Buying Survey-1988

CONSUMER PURCHASE PATTERNS

Another study conducted by Seventeen magazine, The 1987 Footwear Survey, is based on returns from questionnaires sent to a 2,000 member Consumer Panel of women aged 13 to 21. Results show the average number of pairs of footwear purchased in the past 12 month to be 10.2 pairs with as many as 17.1% of the respondents purchasing 16 or more pairs of shoes. Virtually all respondents bought athletic shoes, 90% bought dress shoes, three fourths bought sporty/casual shoes, and over half bought boots within the past year.

Athletic Footwear

Many changes have taken place in the athletic footwear industry since the explosion in demand for running shoes in the early 1970's, and the surging popularity of aerobic shoes in the 1980's. New categories such as cross training, fitness and walking shoes have been created and are in great demand. Sales of walking shoes in particular have risen steadily, and according to NPD/Smart, could account for 20% of all footwear sales in the 1990's. With walking as the second largest participatory sport in the nation, behind only swimming, as shown in a study conducted for Kaepa Inc., industry sources are awaiting a walking boom similar to the running craze of the 1970's.

New technology combining fashion and function, are expanding the appeal of this footwear category to younger consumers, although the driving force behind the demand for walking shoes are older adults. In order to appeal to this market segment, Avia developed the "mall walker", a style of walking shoe designed to prevent slippage on polished floors specifically found in malls. This style was targeted to the older adult consumer. Other manufacturers are developing rugged walking lines, and are also combining athletic style technology with dress shoes to create a walking shoe that can be worn in the workplace.

The popularity of walking shoes, as well as cross training styles, have cut into sales of tennis shoes. Shoes made for basketball, however, are still in high demand; especially in the inner city market, with hi-tops still the favorite style.

Canvas athletic shoes have made a big comeback, particularly in the women's market. The Keds brand of sneakers is enjoying renewed popularity, after having been repositioned as a classic style. Targeting the women's market, Keds tripled its sales volume within the past two years by selling at lower prices, and offering a variety of colors. P.F. Flyers, once popular in the 1960's are also selling once again, but at higher prices, and with more radical, new wave looks than previously.

According to a study sponsored by the Athletic Footwear Association, the average American over age 12 owns at least two pairs of athletic shoes worn for both casual and fitness activities, and is more influenced by comfort and fit than low cost when making a purchase. The 13 to 17 year old age group is the most frequent buyer of athletic footwear, while men and women over age 55 own the fewest pairs as a percent of their entire footwear collection.

Footwear Market Insights estimated total consumer purchases of athletic footwear at $9.2 billion in 1988, rising 14.7% above 1987 sales, and a full 79.6% over 1985 sales. Pairs of athletic shoes were also reported to rise 9.9% in 1988, again with a substantial jump of 49% when compared to 1985.

CONSUMER PURCHASE PATTERNS

Athletic Footwear (continued)

Projected Purchases of Athletic Footwear

	1988(e)	1987	1986	1985	% Change 1988/87
Billions of dollars	$9.244	$8.061	$6.758	$5.147	14.7%
Millions of pairs	383.8	349.2	308.3	257.6	9.9

(e) estimated

Source: Footwear Market Insights:
Footwear Market Index (FMI) and
National Sporting Goods Association

Pattern in Athletic Footwear Purchases: 1987, 1988
(Based on pairs)

	1988	1987	% Change 1988/87
Total, all types	100.0%	100.0%	8.0%
Athletic/jogging footwear	31.8	33.2	9.4
Men's	13.9	12.9	24.6
Women's	14.2	16.0	1.5
Boy's	2.6	2.8	5.1
Girls'	1.1	1.6	-23.0
Tennis shoes/sneakers	68.2	66.8	7.3
Men's	22.8	22.1	8.1
Women's	25.9	24.5	10.1
Boy's	12.4	13.6	4.0
Girls'	7.1	6.6	12.4

Source: Footwear Market Insights:
Footwear Market Index (FMI), Nashville, TN

Consumer purchases of footwear of all types, tracked by FMI, indicate that in 1988 purchases of athletic/jogging footwear rose 9.4% in terms of pairs, with the highest increase of 24.6% occurring in men's styles. Athletic/jogging footwear purchases for girls' fell 23.0%, while girls tennis shoes/sneaker purchases rose 12.4%. Purchases in the tennis shoe/sneaker category as a whole rose 7.3% over the previous year.

Once again, as in 1987, women held the greatest share of purchases for all types of athletic footwear measured. This may be due to the increased popularity of this footwear because of its comfort and fashionable image, as well as the increased participation in sports by women.

Athletic Footwear (continued)

An additional insight into athletic footwear purchases is made available from a survey based on interviews of 80,000 American households by the National Sporting Goods Association (NSGA). This survey, entitled The Sporting Goods Market in 1989, measures purchases of athletic footwear by category and retail outlet type as follows.

Sales of Athletic Footwear in Selected Classifications: 1987, 1988
(In millions)

	Pairs			Dollars		
	1988	1987	% Change 1988/87	1988	1987	% Change 1988/87
Aerobics	9.2	12.1	-24.0%	$326.6	$401.1	-18.6%
Basketball	5.2	4.5	15.6	226.4	169.2	33.8
Gym shoes, sneakers	29.6	27.2	8.8	783.2	692.5	13.1
Jogging/running	11.8	13.0	- 9.2	459.9	474.9	- 3.2
Tennis	11.8	13.4	-11.9	352.6	367.2	- 4.0
Walking	18.9	14.3	32.2	752.3	511.4	47.1
Workout/fitness	5.2	5.8	-10.3	189.7	196.9	- 3.7

Share of Consumer Footwear Purchases by Category/Sport: 1988
(Based on dollar expenditures)

	% of Dollar Purchases
Aerobic shoes	8.7%
Baseball/softball	2.3
Basketball shoes	6.0
Bowling shoes	1.3
Football shoes	1.3
Golf shoes	3.4
Gym shoes/sneakers	20.8
Hiking shoes/boots	3.2
Hunting boots	1.8
Jogging/running	12.2
Racquetball shoes	0.8
Soccer shoes	1.7
Tennis shoes	9.3
Volleyball shoes	2.2
Walking shoes	19.9
Workout/fitness	5.0

Source: National Sporting Goods Association (NSGA)
The Sporting Goods Market in 1989

Athletic Footwear (continued)

Athletic Footwear Purchases by Type of Retail Outlet: 1988
(Percent of total purchases)

Shoe Types: Store types	Aerobics	Basketball	Gym/ Sneakers	Jogging	Walking	Fitness
Sporting goods stores	16.8%	24.4%	8.0%	22.0%	11.5%	18.2%
Specialty athletic footwear	16.0	20.2	10.6	22.1	13.6	19.2
Specialty sport/pro shops	3.1	5.7	1.9	3.7	2.4	4.5
Discount stores	19.8	12.7	29.0	16.0	15.6	18.6
Department stores	27.1	17.8	22.8	17.7	25.3	22.5
Mail order	2.7	1.3	1.6	2.6	3.7	2.0
Family footwear stores	11.1	13.2	21.2	12.4	22.7	11.7
Other (incl. traditional shoe stores)	3.4	4.7	4.9	3.5	4.7	3.3

Source: National Sporting Goods Association (NSGA)
The Sporting Goods Market in 1989

SCHEDULE OF ADDITIONAL FACT FILES

The Children's Market: Infants', Toddlers', Girls' and Boys' (Apparel, Juvenile Products, Toys/Dolls): Covers demographic trends affecting this market, including births, population projections by age, and characteristics of households with children. Includes detailed information on the U.S. children's wear industry, including production and shipments, foreign trade and price trends. Also covered are market trends for juvenile products (cribs, strollers, etc.) and for toys, games and dolls.

Consumer Market Developments (1989 Edition): An overview of all facets of the consumer market. Within the framework of population and income groups, the markets for children's products, for young adults and for the mature are defined in terms of numbers and buying power. Trends and projections are inclued as well as an analysis of developments that are shaping the U.S. consumer market--living arrangements, households, working women, marriage and birth rates, etc. Trends in personal consumption expenditures are also covered.

Department Store Sales (1989 Edition): Outlines ownership change/reorganizations in the past year affecting major department and specialty stores. Buying headquarter locations of stores are listed with information on sales and number of outlets included in this total. Notes are included on plans to open and/or close stores. Sales and outlet information is separately listed for corporate headquarter and for national chains.

Dresses (Women's, Misses' & Juniors'): At the manufacturer level, provides a statistical profile of the dress industry and the products made within this industry, including dresses, washable service apparel, ensembles, etc. Includes number and size of manufacturers, production, and value of shipments, industry location and trends in employment levels. Analyzed is the governing impact of imports on total U.S. market supply. Reatil sales by major type of retail outlet are covered, as well as growth in the size of the consumer market, based on population counts, working women by type of occupation, and more.

Fashion Accessories (Men's and Women's): Covers developments in the U.S. industry, in imports and in retail sales for fashion accessories, including small leather goods, handbags, millinery, scarves, gloves, belts, jewelry, sunglasses, watches, etc., to the extent that statistical information is available. Included are production and shipments by U.S. manufacturers plus the quantity and value of imports in recent periods. Retail sales and operating results in department and specialty stores are reported, as well as summaries of available studies on consumer buying preferences.

Footwear (Men's, Women's, Boys', Girls') (A 1989 Edition): A statistical summary of the U.S. footwear industry and U.S. market. Covers domestic production and shipments, and details trends in imports and their share of the dnd trends in the market aromestic market, with information on major types of footwear. Includes information on sales trends and operating/merchandising results for shoe departments.

Home Textiles & Related Products: Includes the latest statistics on the U.S. industry, including manufacturers of a wide variety of products--bed linens, towels, blankets, comforters, slip covers, pillows, curtains/ draperies and hardware, shades and blinds. Covers the changing competitive nature of the industry through acquisitions of major producers and through consolidation of buying power at the retail level. Includes information on production, shipments and retail sales.

Hosiery/Legwear/Bodywear (Men's, Women's, Boys' Girls'): A comprehensive report on mills making hosiery and related products, including production and shipments, fiber consumption, producer price trends. The growing trend in imports is also covered. At the consumer level, the size of the potential market is measured in terms of population counts and projections and estimates are included on retail sales of major products by type of retail outlet.

Household Appliances, Electric Housewares: Covers a broad range of products included in these two classifications at the manufacturer and at the retail level. Provides a statistical profile of the U.S. industry in terms of number of manufacturers, production, shipments, exports. Imports are detailed, as well as information on export markets. Covers retail sales and merchandising results and information on appliance/radio/TV stores.

Household Furniture and Bedding: Provides an overall view of market trends in the U.S. For the U.S. industry, the report covers statistics on manufacturers, on production and shipments in terms of quantity and value by type of furniture. Trends in the concentration levels in the U.S. industry are reported, as well as in employment and earnings in the industry. Also included is information on the industry in leading states. Consumer market information includes data on characteristics of new housing units (number of rooms); also trends in consumer expenditures for furniture, sales by type of outlet. Details on furniture stores, including the 25 leaders, are also covered.

Men's Clothing and Furnishings: Provides a summary of major market trends in the men's furnishings/work/career apparel area and the tailored clothing areas, as well as in the rainwear area. Covers production and shipment information, employment trends, manufacturer concentration levels, location of the industries. Also examines import/export material. There's a look at the consumer market, plus in-depth details covering the retail level including sales and operating results for men's furnishings/work,/career apparel/and tailored wear in both department and men's wear stores.

Men's Sportswear, Casual Wear, Outerwear: The wide variety of men's wear items included are covered from available statistical information on the industry at the manufacturer, retailer and consumer levels. Included is information on production and shipments by domestic producers, imports and exports. The retail market is covered in sales estimates and data on major outlet types, as well as studies of consumer buying practices.

The Sports/Fitness/Leisure Markets: Covers details on U.S. manufacturers in the sporting goods/athletic goods industry, concentrating on products sold through retail outlets such as sporting goods stores and general merchandise stores, as well as functional athletic footwear and apparel. Includes quantity and value of shipments of specified products, concentration of shipments among leading manufacturers, and trends in producer prices. Imports of specified sporting and athletic goods are covered. At the consumer level, data includes statistics and sports participation levels and purchases of specific sports equipment. Also buying habits in relation to activewear and sports equipment.

Sportswear, Casual Wear, Separates (Women's, Misses' and Juniors'): A statistical view of this segment of the women's wear industry is provided, including data on production and value of shipments, imports of major categories, sales by type of outlet, seasonal patterns, and consumer buying habits.

The Textile/Apparel Industries: Provides an overview of the U.S. textile and apparel industries, their current problems and programs to improve their competitive position in the U.S. market and abroad. Covers a statistical profile of each industry in terms of number of manufacturers, concentration levels, production and shipments, including exports. Trends in imports in terms of quantity and value are detailed, as well as quota developments. Also included is information on plant and equipment expenditures and on mill machinery in place in U.S. mills.

Toiletries, Cosmetics, Fragrances and Beauty Aids: A detailed view of the U.S. industry, leading manufacturers, sales of products for both men and women, trends in industry employment and earnings, advertising expenditures and foreign trade. Consumer expenditures by product are detailed as well as retail sales by outlet type, and consumer buying patterns and usage in regard to specified products.

Women's Inner Fashions: Nightwear, Daywear and Loungewear: An analysis of statistical information available on the industry and market, from manufacturer through to consumer. Includes the latest available data on U.S. production, shipments and exports; and details on imports. Retail sales and operating results in department and specialty stores are covered, as well as trends in producer and consumer prices. Developments in the size of the consumer market and trends in the market aromestic market, with information on major types of footwear. Includes information on sales trends and operating/merchandising results for shoe departments.

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Fashion Accessories
(Men's and Women's)

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Distributed through
Book Division
Fairchild Publications
Division of Capital Cities Media, Inc.
New York

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Standard Book Number: 87005-690-5

Printed in the United States of America

MEN'S AND WOMEN'S FASHION ACCESSORIES

EXECUTIVE SUMMARY

Retail sales of adult accessories were estimated at about $17 billion in 1988. Fashion jewelry accounted for $5 billion in sales, fashion watches $2 billion, handbags $3 billion, and scarves $400 million........Trade Sources.

Market penetration of imports by the U.S. remained high in every measured accessory category in 1988. The highest proportion of imports to total supply was for handbags and purses, estimated at 70% and luggage at 54%........ International Trade Administration.

In comparing 1988 with 1987, the value of U.S. accessories exports rose over 1,000% in almost all reported categories, due in part to the devaluation of the dollar in relation to many foreign currencies.......U.S. Bureau of the Census.

MARKET TRENDS

Due to the wide variety of products included in accessories, it cannot be defined in a single standard industry classification whose value or size is readily measured. Data for some components are, however, covered in trade and government sources.

Broad classifications of ~~adult~~ fashion accessories included in this Fact File, to the extent statistical information is available are jewelry, watches, gloves, millinery, neckwear, sunglasses, handbags, belts, small leather goods and luggage.

Accessories are important to consumers in updating wardrobes as apparel costs soar, and as a result, fashion accessories sales have been storng in recent years. Consumer purchases of women's accessories were up 2% in units and 8% in dollar value during the first five months of 1989 compared with the same period in 1988, according to MRCA Information Services, an independent research firm.

Among key accessory manufactures analyzed by the International Trade Administration, the fastest growth in constant dollar value of shipments was noted in leather gloves and mittens, up 2.2% in 1989 versus 1988. The only decline was projected in the costume jewelry industry, down 2.0%.

Projected Real Growth of Selected Accessory Categories: 1988, 1989
(Value in 1982 $)

	In Value of Manufacturers' Shipments % Change 1989/88
Leather gloves & mittens	2.2%
Luggage	2.0
Women's handbags & purses	1.8
Personal leather goods	1.4
Precious metal jewelry	1.0
Costume jewelry	-2.0

Source: U.S. Department of Commerce, International Trade Administration: 1989 U.S. Industrial Outlook

MARKET TRENDS

A total value of industry shipments in constant 1982 dollars for reported accessories was forecasted by the ITA at $6,165 billion in 1989, 0.7% over the estimated 1988 total. Over half of this total was accounted for by precious metal jewelry; and was followed by costume jewelry at 17%.

Swings in fashion dominate the accessories market, and new items constantly emerge. Categories that have grown substantially in recent years are scarves, hair accessories and sunglasses. The renewed popularity of scarves is refelcted in the dramatic rise in imports, which grew about 211% in quantity, and 378% in c.i.f. (cost, insurance, freight) value in 1988, compared with 1984. This scarf explosion has created an entirely new classification--the scarf clip. The demand for hair ornaments such as bows and ponytail twists has also been great. Sales in the U.S. are expected to exceed $500 million in 1989. As consumers have been wearing different pairs of sunglasses for different activities, lifestyles, and even outfits, sales reached $1.35 billion in 1988.

Recent fads, which drives this industry include more refined, ethnic, opulent and baroque looks in jewelry; classic, equestrian looks in scarves, bags, and belts, and animal prints in almost all catetgories. Vests, Soviet-inspired military watches, and belly bags (also called fanny packs), are becoming big sellers.

The selling of a broad range of coordinated small leather goods and related items in one cohesive boutique-style presentation is cropping up in more and more stores. This new trend, called "collection merchandising", or "concept merchandising", has been adding impact and sales to the men's accessories business for many retailers. Accessories collections have been built by such companies as Gucci and Louis Vuitton.

Another recent development is the opening of specialty stores that sell accessories exclusively. One such chain, named The Accessory Place, achieved a sales volume of $20 million in 1988, with expectations of reaching $25 million in 1989. Costume jewelry and hair products accounted for the greatest share of sales, at about 50% and 20% respectively.

AT THE MANUFACTURER LEVEL

GENERAL INDUSTRY STATISTICS

A complete census of all manufacturing plants is compiled every five years by the U.S. Bureau of the Census. Preliminary results from the latest census, covering 1987 operations in the accessories industry, are detailed below, compared with 1982 census data. Comparable data has been reported by the Census Bureau, for 1986 in the Annual Survey of Manufactures. The annual surveys are based on a sample of manufacturers in order to develop estimates on key measurements of manufacturing activity during intercensal periods.

Industry Trends in Accessories Classifications: 1982, 1986, 1987

Fabric Dress & Work Gloves
(SIC 2381*)

	1987(p)	1986	1982	% Change 1987/82
Number of companies	62	na	78	- 20.5%
Number of establishments, total**	81	80	102	- 20.6
Number with 20 or more employees	57	62	64	- 10.9
Employees, total (thous.)	4.9	5.7	6.8	- 27.9
Production workers (thous.)	4.3	5.2	6.1	- 29.5
Payroll (mil. $)	$ 47.5	$ 48.3	$ 51.2	- 7.2
Value added by manufacture ## (mil. $)	97.7	100.6	104.7	- 6.7
Value of industry shipments### (mil. $)	180.2	190.5	208.4	- 13.5
Capital expenditures, new (mil. $)	1.5	1.0	3.4	- 55.9
New machinery & equipment (mil. $)	na	na	1.5	--

Leather Gloves
(SIC 3151*)

	1987(p)	1986	1982	% Change 1987/82
Number of companies	63	na	80	- 21.3%
Number of establishments, total**	71	85	96	- 26.0
Number with 20 or more employees	41	46	54	- 24.1
Employees, total (thous.)	2.7	3.5	3.9	- 30.8
Production workers (thous.)	2.4	3.1	3.3	- 27.3
Payroll (mil. $)	$ 29.2	$ 33.7	$ 36.6	- 20.2
Value added by manufacture ## (mil. $)	66.7	63.4	72.5	- 8.0
Value of industry shipments### (mil. $)	171.8	202.9	177.6	- 3.3
Capital expenditures, new (mil. $)	na	0.8	0.7	--
New machinery & equipment (mil. $)	na	na	0.5	--

(continued)

GENERAL INDUSTRY STATISTICS

Industry Trends in Accessories Classifications: 1982, 1986, 1987
(continued)

Women's Handbags
(SIC 3171*)

	1987(p)	1986	1982	% Change 1987/82
Number of companies	303	na	383	- 20.9%
Number of establishments, total**	310	279	393	- 21.1
Number with 20 or more employees	89	94	148	- 39.9
Employees, total (thous.)	9.5	9.2	15.4	- 38.3
Production workers (thous.)	7.9	7.3	13.2	- 40.2
Payroll (mil. $)	$130.7	$ 100.7	$ 158.5	- 17.5
Value added by manufacture ## (mil. $)	316.9	215.2	320.4	- 1.1
Value of industry shipments### (mil. $)	548.5	438.4	623.7	- 12.1
Capital expenditures, new (mil. $)	na	3.5	5.6	--
New machinery & equipment (mil. $)	na	na	4.2	--

Small Leather Goods
(SIC 3172*)

	1987(p)	1986	1982	% Change 1987/82
Number of companies	204	na	239	- 14.6%
Number of establishments, total**	208	192	243	- 14.4
Number with 20 or more employees	60	68	87	- 31.0
Employees, total (thous.)	6.6	6.8	9.9	- 33.3
Production workers (thous.)	5.2	5.7	7.3	- 28.8
Payroll (mil. $)	$ 92.0	$ 88.1	$112.6	- 18.3
Value added by manufacture ## (mil. $)	198.4	193.6	243.6	- 18.6
Value of industry shipments### (mil. $)	361.7	353.1	411.4	- 12.1
Capital expenditures, new (mil. $)	na	2.7	3.2	--
New machinery & equipment (mil. $)	na	na	3.0	--

Luggage
(SIC 3161*)

	1987(p)	1986	1982	% Change 1987/82
Number of companies	233	na	287	- 18.8%
Number of establishments, total**	239	237	292	- 18.2
Number with 20 or more employees	109	110	131	- 16.8
Employees, total (thous.)	10.9	11.4	16.0	- 31.9
Production workers (thous.)	8.0	8.3	12.5	- 36.0
Payroll (mil. $)	$ 182.9	$ 165.7	$ 193.8	- 5.6
Value added by manufacture ## (mil. $)	444.3	338.8	432.8	2.7
Value of industry shipments### (mil. $)	849.2	665.8	789.0	7.6
Capital expenditures, new (mil. $)	na	9.5	12.0	--
New machinery & equipment (mil. $)	na	na	9.5	--

(continued)

GENERAL INDUSTRY STATISTICS

Industry Trends in Accessories Classifications: 1982, 1986, 1987
(continued)

Millinery, Hats & Caps
(SIC 2353*)

	1987(p)	1986	1982	% Change 1987/82
Number of companies	417	na	na	--
Number of establishments, total**	438	575	na	--
Number with 20 or more employees	169	211	na	--
Employees, total (thous.)	16.9	12.3	15.7	7.6
Production workers (thous.)	14.3	10.4	13.9	2.9
Payroll (mil. $)	$ 197.9	$ 144.0	$156.8	26.2
Value added by manufacture ## (mil. $)	359.7	274.2	285.3	26.1
Value of industry shipments### (mil. $)	651.1	518.3	522.3	24.7
Capital expenditures, new (mil. $)	8.2	7.2	5.9	39.0
New machinery & equipment (mil. $)	na	na	na	--

Costume Jewelry
(SIC 3961*)

	1987(p)	1986	1982	% Change 1987/82
Number of companies	na	na	780	--
Number of establishments, total**	748	711	785	- 4.7%
Number with 20 or more employees	193	185	186	3.8
Employees, total (thous.)	21.4	18.5	21.1	1.4
Production workers (thous.)	14.3	12.7	15.7	- 8.9
Payroll (mil. $)	$ 314.9	$ 303.1	$ 263.3	19.6
Value added by manufacture ## (mil. $)	768.5	782.4	588.9	30.5
Value of industry shipments### (mil. $)	1,296.4	1,292.3	1,027.1	26.2
Capital expenditures, new (mil. $)	10.8	19.0	16.6	- 34.9
New machinery & equipment (mil. $)	na	na	12.7	--

Precious Metal Jewelry
(SIC 3911*)

	1987(p)	1986	1982	% Change 1987/82
Number of companies	na	na	2,159	--
Number of establishments, total**	2,275	2,152	2,193	3.7%
Number with 20 or more employees	369	353	367	0.5
Employees, total (thous.)	36.1	32.6	35.3	2.7
Production workers (thous.)	25.4	22.2	23.7	7.2
Payroll (mil. $)	$ 695.3	$ 564.9	$535.8	29.8
Value added by manufacture ## (mil. $)	1,955.5	1,415.3	1,278.8	52.9
Value of industry shipments### (mil. $)	4,265.7	3,302.5	3,039.1	40.4
Capital expenditures, new (mil. $)	34.9	27.3	33.4	4.5
New machinery & equipment (mil. $)	na	na	28.4	--

(continued)

Industry Trends in Accessories Classifications: 1982, 1986, 1987
(continued)

Watches, Clocks
(SIC 3873*)

	1987(p)	1986	1982	% Change 1987/82
Number of companies	na	na	227	--
Number of establishments, total**	217	202	237	- 8.4%
Number with 20 or more employees	76	77	87	- 12.6
Employees, total (thous.)	12.7	11.6	16.8	- 24.4
Production workers (thous.)	9.8	8.5	12.3	- 20.3
Payroll (mil. $)	$ 228.2	$ 222.7	$ 248.1	- 8.0
Value added by manufacture ## (mil. $)	490.7	509.7	483.5	1.5
Value of industry shipments### (mil. $)	1,014.2	1,147.6	1,187.6	- 14.6
Capital expenditures, new (mil. $)	24.0	28.6	14.6	64.4
New machinery & equipment (mil. $)	na	na	11.6	--

Apparel Belts
(SIC 2387*)

	1987(p)	1986	1982	% Change 1987/82
Number of companies	263	na	317	- 17.0%
Number of establishments, total**	265	260	319	- 16.9
Number with 20 or more employees	127	109	143	- 11.2
Employees, total (thous.)	10.5	8.8	11.7	- 10.3
Production workers (thous.)	7.8	6.9	9.2	- 15.2
Payroll (mil. $)	$ 151.9	$ 116.5	$137.1	10.8
Value added by manufacture ## (mil. $)	340.6	293.7	305.4	11.5
Value of industry shipments### (mil. $)	629.7	521.0	556.5	13.2
Capital expenditures, new (mil. $)	3.2	2.5	8.3	- 61.4
New machinery & equipment (mil. $)	na	na	3.9	--

na not available

(p) preliminary

* Manufacturing plants are classified by industry under the Standard Industrial Classification System (SIC), determined by the principal product made as shown below. In some cases (i.e. Watches, Clocks), non-accessory products are included in the classification.

SIC 3961 covers manufacturers specializing in the production of costume jewelry, costume novelties and ornaments made of all materials except precious metal, etc.

SIC 3911 covers manufacturers specializing in the production of jewelry and other articles worn on or carried about the person, made of precious metals with or without stones, including cigarette cases and lighters, vanity cases and compacts; trimmings for umbrellas and canes; and jewel settings and mountings.

(continued)

(footnotes continued)

SIC 3873 covers manufacturers specializing in the production of clocks, watches, watchcases, mechanisms for clockwork-operated devices and clock and watch parts, as well as establishments primarily engaged in assembling clocks and watches from purchased movements and cases.

SIC 2387 covers manufacturers specializing in the production of men's and women's apparel belts, regardless of material.

SIC 2381 covers manufacturers specializing in the production of dress, semi-dress and work gloves and mittens, cut and sewn from purchased woven or knit fabric, or these fabrics combined with leather or plastic.

SIC 3151 covers manufacturers specializing in the production of dress, semi-dress and work gloves exclusively of leather or leather with lining of other material.

SIC 3171 covers manufacturers specializing in the production of women's handbags and purses of leather or other materials, except precious metals.

SIC 3172 covers manufacturers specializing in the production of small articles, such as billfolds, key cases, and coin purses of leather or other materials, except precious metals.

SIC 3161 covers manufacturers specializing in the production of luggage made of leather or other material.

SIC 2353 covers manufacturers specializing in the production of women's, misses', children's and infants' millinery.

** Covers manufacturing establishments only, and each location is separately counted. Not included are separate auxiliary locations serving the plants (i.e. administrative offices, purchasing offices, sales promotion offices, etc.) 1986 figures are from County Business Patterns issued by the Census Bureau.

# Value added by manufacture is derived by subtracting the cost of products bought for resale without further manufacture, the cost of piece goods and other materials, contract work, etc., from the value of shipments, with adjustments for finished products inventories. It avoids the duplication in value of production which results from the use of products of some manufacturing establishments as materials by others, and is for most purposes the best value measure of individual industries.

(continued)

(footnotes continued)

## Value of industry shipments represents the net selling values, f.o.b. plant, after discounts and allowances, and excluding freight charges and excise taxes. This value includes both products described as primary to the industry and secondary products and miscellaneous receipts (including receipts for contract work and resales). Available data on the total value of specific products shipped by both those classified in the industry (primary producers) and by secondary producers (who are classified in other industries) are covered in the value of shipments reported on pages 13-17.

Note: Dollar values are in terms of current dollars--not adjusted for inflation. This should be taken into account when comparing results for 1987 and 1982.

Source: U.S. Bureau of the Census:
1987, 1982 Census of Manufactures,
1986 Annual Survey of Manufactures

GENERAL INDUSTRY STATISTICS

Industry Shipments

The International Trade Administration compiled projections late in 1988 for a limited number of accessories categories, based on Census Bureau reports.

The total real value of industry shipments of reported categories of accessories, eliminating inflation was projected to register an increase of 0.7% in 1989 over 1988. Slight gains were forecasted for individual reported accessories except costume jewelry.

Value of Industry Shipments: 1987, 1988, 1989
(Dollar figures in millions)

	Constant (1982) Dollars			
	1989(f)	1988(e)	1987(e)	% Change 1989/88
Total, reported categories	$6,165	$6,120	$6,093	0.7%
Precious metal jewelry	3,455	3,420	3,355	1.0
Costume jewelry	1,063	1,085	1,130	- 2.0
Leather gloves & mittens	201	197	206	2.0
Luggage	654	642	639	1.9
Handbags & purses	431	423	411	1.9
Billfold, key cases, etc.	361	353	352	2.3

(e) estimate
(f) forecast

Source: U.S. Department of Commerce,
International Trade Administration:
1989 U.S. Industrial Outlook

Employment & Earnings

The Bureau of Labor Statistics reports on employment and earnings in specified manufacturing operations. Preliminary data for June 1989 compared with June 1988 show growth in the costume jewelry, precious metal jewelry and luggage industries, probably helped by a growth in exports.

Industry and production worker employment declined in the handbag and watch industries. These rates of decline, however, were far less severe than those experienced between 1979 and 1986 in the handbag category.

It should be noted that employment and earnings data issued by the Bureau of Labor Statistics and by the Census Bureau differ somewhat due to differences in methodology used by each agency in compiling data.

GENERAL INDUSTRY STATISTICS

Employment & Earnings (continued)

Employment & Earnings in Specified Accessories Industries: 1987, 1988 and June 1989

	Annual Average			Percent Change	
	June 1989(p)	1988	1987	Annual 88/87	June 89/88(p)
Costume jewelry (SIC 3961)					
All employees (thous.)	23.0	21.4	22.2	- 3.6%	7.0%
Production workers (thous.)	17.7	16.4	17.3	- 5.2	6.6
Avg. weekly hours	37.6	36.5	35.2	3.7	0.8
Avg. weekly earnings	$250.42	$228.86	$200.29	14.3	7.9
Precious metals jewelry (SIC 3911)					
All employees (thous.)	38.9	38.1	37.9	0.5	2.4
Production workers (thous.)	27.6	26.6	26.0	2.3	3.8
Avg. weekly hours	37.0	37.3	37.7	- 1.1	3.1
Avg. weekly earnings	$324.49	$326.00	$318.19	2.5	3.3
Women's handbags & personal leather goods (SIC 3171)					
All employees (thous.)	15.8	17.0	16.9	0.6	- 6.5
Production workers (thous.)	12.4	13.3	13.7	- 2.9	- 5.3
Avg. weekly hours	36.0	36.2	36.8	- 1.6	- 0.6
Avg. weekly earnings	$216.00	$214.30	$214.54	- 0.1	- 0.6
Watches, clocks & watchcases (SIC 3873)					
All employees (thous.)	10.8	11.7	11.7	0.0	- 5.3
Production workers (thous.)	8.0	8.7	8.4	3.6	- 4.8
Avg. weekly hours	39.3	40.4	40.2	0.5	- 2.7
Avg. weekly earnings	$293.18	$294.92	$287.43	2.6	- 0.2
Luggage (SIC 3161)					
All employees (thous.)	12.1	11.2	10.6	39.6	5.7
Production workers (thous.)	8.8	8.0	7.5	6.7	11.4
Avg. weekly hours	39.4	39.2	39.6	- 1.0	- 0.8
Avg. weekly earnings	$262.80	$247.35	$253.44	- 2.4	4.4

(p) preliminary

Source: U.S. Bureau of Labor Statistics:
Employment & Earnings (June, 1989)

The Bureau of Labor Statistics has issued employment benchmarks for industry segments not covered in monthly and annual reports, including specified accessories categories. The figures are as of March, and cover the years 1981 through 1988.

Employment & Earnings (continued)

Employment Benchmarks for Specified Accessories Industry Segments: March 1981-1988
(In thousands)

Industry	1988	1987	1986	1985	1984	1983	1982	1981
Leather gloves & mittens (SIC 3151)	2.9	3.1	3.2	3.3	3.4	3.4	4.2	na
Women's handbags & purses (SIC 3171)	8.4	8.5	10.4	11.7	14.2	14.6	17.2	17.5
Personal leather goods, n.e.c. (SIC 3172)	9.0	8.3	9.2	9.6	11.0	10.8	11.6	12.1
Leather goods, n.e.c. (SIC 319)	8.9	8.4	7.9	8.1	8.2	8.3	9.1	na
Hats, caps & millinery (SIC 2351)	14.7	14.5	15.6	16.4	16.2	14.7	15.9	18.6
Fabric dress & work gloves (SIC 2381)	7.3	7.2	8.6	9.4	8.7	8.7	9.9	11.4
Apparel belts (SIC 2387)	10.4	10.6	8.8	9.5	10.7	10.3	10.7	na
Apparel & accessories, n.e.c. (SIC 2389)	7.7	7.4	6.7	6.7	6.3	5.8	6.5	na

na not available
n.e.c. not elsewhere classified

Source: U.S. Bureau of Labor Statistics:
Employment & Earnings (June 1989)

Industry Concentration

Information on the concentration of industry shipments by company size will be included in detailed 1987 census of manufactures reports to be released next year by the Census Bureau. Current information on industry concentration is limited to the distribution of plants by employment size in 1986.

As previously noted, most plants in segments of the accessories complex are small--with fewer than 20 employees. The largest plants are in glove manufacturing.

Industry Concentration (continued)

Percent of Manufacturing Establishments by Employment Size: 1986

Industry	Total	Total	Under 20	20-49	50-99	100-249	250-499	Over 500
Costume jewelry								
Estabs. (No.)	711	100%	73.9	12.9	6.8	3.5	2.1	0.7
Employees (thous.)	23.1	100%	(D)	12.1	14.1	16.1	(D)	(D)
Precious metal jewelry								
Estabs. (No.)	2,152	100%	83.6	9.6	4.2	2.0	0.4	0.1
Employees (thous.)	34.3	100%	26.1	18.2	18.4	19.9	9.1	8.3
Apparel belts								
Estabs. (No.)	260	100%	58.1	23.1	10.0	6.9	1.9	--
Employees (thous.)	8.7	100%	11.5	22.1	20.1	28.0	18.4	--
Gloves, fabric								
Estabs. (No.)	80	100%	22.6	31.3	22.5	20.0	3.8	--
Employees (thous.)	6.0	100%	2.3	14.7	21.6	43.1	18.3	--
Gloves, leather								
Estabs. (No.)	85	100%	45.9	25.9	16.5	11.8	--	--
Employees (thous.)	3,120	100%	10.3	23.0	25.5	41.1	--	--
Women's handbags								
Estabs. (No.)	279	100%	66.3	16.5	8.6	6.5	2.2	--
Employees (thous.)	9,236	100%	12.1	14.7	19.0	29.8	24.3	--
Small leather goods								
Estabs. (No.)	192	100%	64.6	14.1	8.9	9.9	1.6	1.0
Employees (thous.)	8,093	100%	(D)	10.5	14.1	36.0	14.3	(D)
Luggage								
Estabs. (No.)	237	100%	53.6	19.0	16.5	7.6	1.7	1.3
Employees (thous.)	12,464	100%	(D)	11.7	21.7	22.0	10.4	13.9*
Millinery								
Estabs. (No.)	95	100%	54.7	28.4	11.6	3.2	1.1	1.1
Employees (thous.)	3,260	100%	(D)	27.0	21.9	14.0	(D)	(D)

(D) Figures withheld to avoid disclosing data for individual companies.
* Figures withheld for establishments with 1,000 or more employees.

Source: U.S. Bureau of the Census:
1986 County Business Patterns

Industry Location

Information from the 1982 census of manufactures covering the states which lead in the value added by manufacture in plants classified in industries related to men's and women's accessories was included in the 1987 edition of this Fact File. Updated statistics on this topic have not yet been reported by the Census Bureau.

PRODUCTION

Materials Consumed

Preliminary figures on the value of materials consumed by plants classified in specified accessories industries based on the 1987 census are noted below compared with 1982 reports. Figures are in current dollars, with no adjustment for inflation.

Delivered Costs of Materials Consumed in Accessoires Plants
(Millions of current dollars)

Fabric Dress & Work Gloves
(SIC 2381)

	1987(p)	1982
Broadwoven fabrics	$29.9	$38.3
Knit fabrics	19.2	17.6
Yarns, all fibers	1.7	*
Finished leather	9.3	12.8
All other materils, containers, & supplies	8.2	12.9
Materials, parts, containers & supplies, n.s.k.	4.5	8.3

* 1982 total included in all other materials total.

Precious Metal, Jewelry
(SIC 3911)

	1987(p)	1982
Precious metals, all forms	$782.0	$787.7
Precious & semi precious & synthetic stones & pearls	326.0	280.3
Jewelers' findings	75.1	98.0
All other materials & components, parts, containers & supplies	81.3	110.6
Materials, parts, containers & supplies, n.s.k.	825.3	379.9

Watches, Clocks, Watchcases & Parts
(SIC 3873)

	1987(p)	1982
Precious metals, all forms	**	$ 9.0
Domestic watch parts, incl. dials, hands, displays, numerals, etc.	$ 22.2	51.8
All other materials & components, parts, containers & supplies	167.7	194.4
Materials, parts, containers & supplies, n.s.k.	101.6	68.6

** 1987 total is included in all other materials total.

Apparel Belts
(SIC 2387)

	1987(p)	1982
Broadwoven fabrics	$19.7	$10.9
Knit fabrics	13.6	16.8
Finished leather	91.4	83.4
All other materils, containers, & supplies	79.3	66.8
Materials, containers & supplies, n.s.k.	22.5	34.8

n.s.k. not specified by kind (p) preliminary

Source: U.S. Bureau of the Census: 1987 Census of Manufactures
MC87-1-23D (Preliminary) MC87-1-38B (Preliminary)
MC87-1-39A (Preliminary)

PRODUCT SHIPMENTS

In contrast with "Industry Shipments" previously covered and defined on page 7, the value of product shipments covers the total value of shipments of specified items by all U.S. manufacturers, regardless of industry classification based on primary products.

According to a survey of manufacturers concerning the outlook for shipments of luggage and accessories, conducted by Kurt Salmon Associates, unit shipments are expected to rise about 8% in 1989, while the value of these shipments is expected to show an 11% increase.

The International Trade Commission, Department of Commerce, compiles annual estimates on the value of shipments of U.S. manufactures, and the growth rates both in current and constant (1982) dollars, including some accessories classifications.

Reversing the downward trend noted in the longer-term comparisons, back to 1972, growth in value shipments is noted in estimates for 1988 and projections for 1989 in real terms, eliminating inflation, with the exception of costume jewelry, which is under great pressure from imports.

Percent Change in Estimated Value of Product Shipments By All Producers: 1987, 1988, 1989
(Millions of dollars)

	Percent Change			
	Compound Annual Av.		Annual	
	1972-86	1981-86	1989-88(e)	1988-87(e)
Jewelry				
Precious metal				
Current dollars	8.8%	2.8%	--	7.6%
Constant 1982 $	- 3.2	4.3	1.0%	1.9
Costume				
Current dollars	8.0	5.4	--	- 4.2
Constant 1982 $	3.8	1.1	- 2.0	- 4.0
Leather accessories				
Gloves & mittens				
Current dollars	4.1	- 2.3	--	3.4
Constant 1982 $	- 3.4	- 2.8	2.2	- 4.2
Luggage				
Current dollars	4.1	- 5.2	--	6.6
Constant 1982 $	- 1.7	- 7.9	2.0	1.6
Handbags & purses	- 0.1	- 9.0	--	5.7
Current dollars	- 0.1	- 9.0	--	5.7
Constant 1982 $	- 4.6	-11.8	1.8	1.9
Personal goods, n.e.c.				
Current dollars	3.4	- 3.4	--	6.4
Constant 1982 $	- 0.9	- 5.7	1.4	0.5

(e) estimated
n.e.c. not elsewhere classified

Source: International Trade Commission: 1989 U.S. Industrial Outlook

PRODUCT SHIPMENTS

The Census Bureau has released preliminary 1987 breakouts on the quantity and value of shipments of some accessories categories. 1986 figures from the annual surveys are shown where preliminary 1987 data is not yet available, and comparisons are made with 1982 Census of Manufactures findings.

Jewelry & Watches

Value of Shipments of Jewelry & Watches By All U.S. Producers: 1982, 1987
(Millions of dollars)

	1987(p)	1982	% Change 1987/82
Precious metal jewelry, total	$3,946.4	$2,823.2	39.8%
Jewelry, made of platinum metals & karat gold, total	2,570.7	2,076.5	23.8
Fraternal, college & school rings	262.7	253.1	3.8
Wedding rings	304.5	294.2	3.5
Other rings	534.6	436.4	22.5
Ring mountings for sale separately	196.2	115.2	70.3
Women's & children's jewelry, incl. necklaces, bracelets, broaches, pins, clips, earrings, etc.	668.9	715.8	- 6.6
Watch attachments	19.0	30.7	- 38.1
Organizational jewelry	37.1	40.6	- 8.6
Other, incl. men's religious jewelry, cigarette cases, lighters, compacts, vanity cases, etc.	158.0	152.1	3.9
Jewelry, n.s.k.	389.6	38.4	914.6
Jewelry, made of silver	236.0	na	--
Rings & ring mountings	51.6	na	--
Men's jewelry (collar & cuff buttons, studs, watch chains, etc.)	16.4	na	--
Women's & children's jewelry (necklaces, bracelets, pins, etc.)	129.7	na	--
Jewelry of natural or cultured pearls	20.2	na	--
Jewelry of semiprecious or precious stones	99.3	na	--
Other jewelry, except costume	270.6	na	--
Jewelry, precious metal, n.s.k.	1,738.6	671.4	159.0
Watches, clocks, watchcases & parts	928.0	1,121.8	- 17.3

Note: Dollar values are current dollars, not adjusted for inflation.

(p) preliminary
na not available
n.s.k. not specified by kind.

Source: U.S. Bureau of the Census:
1987 Census of Manufactures
MC87-1-39A (Preliminary)

PRODUCT SHIPMENTS

Handbags, Leather Goods, Luggage

Value of Shipments By All U.S. Producers: 1982, 1986

(In millions of dollars)

	1987	1982	% Change 1986/82
Women's purses & handbags	$339.8	$524.9	- 35.4%
Personal leather goods, exc. handbags & purses	371.1	393.1	- 5.6
Luggage			
Suitcases, briefcases, bags & musical instrument cases	567.0	647.3	- 12.4

Source: U.S. Bureau of the Census:
1986 Annual Survey of Manufactures
MC86 (AS)-2

Production of Luggage & Handbags: 1985-1988

(Thousands of dozens)

	1988(p)	1987(r)	1986(r)	1985
Luggage, handbags & purses	157,272	153,432	149,874	153,837
Luggage, hand & other	109,863	108,776	105,608	110,009
Handbags & purses	47,409	44,656	44,266	43,828

(p) preliminary
(r) revised

Source: National Cotton Council of America:
Cotton Counts its Customers (1989 Edition)

Other Accessories

Value of Specified Accessories Shipments By All U.S. Producers: 1982, 1986

(In millions of dollars)

	1986	1982	% Change 1986/82
Millinery, all types	$ 96.2	$ 87.7	9.7%
Men's & boys' neckwear	305.6	310.4	- 1.5

Source: U.S. Bureau of the Census:
1986 Annual Survey of Manufactures

PRODUCT SHIPMENTS

Other Accessories (continued)

Production of Handkerchiefs: 1985-1988
(Thousands of dozens)

	1988(p)	1987(r)	1986(r)	1985
Handkerchiefs				
Men's	6,908	6,978	6,909	6,346
Women's	2,305	2,426	2,475	2,526

(p) preliminary
(r) revised

Source: National Cotton Council of America:
Cotton Counts its Customers (1989 Edition)

Belts

Quantity & Value of Shipments of Apparel Belts By All U.S. Producers: 1982, 1987
(Quantity in thousands of dozens; value in millions of dollars)

	Quantity		% Change	Value		% Change
	1987(p)	1982	1987/82	1987	1982	1987/82
Apparel belts, total	--	--	--	546.8	474.2	15.3%
Leather, total	--	--	--	329.4	261.5	26.0
Women's & children's	na	3,956.8	--	138.7	96.8	43.3
Men's & boys'	na	5,893.7	--	189.2	157.9	19.8
Not specified	--	--	--	1.6	6.8	-76.5
Other materials	--	--	--	177.7	164.7	7.9
Women's & children's	7,400.4	11,231.9	- 34.11%	100.2	111.0	- 9.7
Men's & boys'	na	4,479.2	--	77.5	49.4	56.9
Not specified	--	--	--	--	4.2	--
Materials unspecified	--	--	--	39.6	48.0	-17.5

(p) prelminary
na not available

Source: U.S. Bureau of the Census:
1987 Census of Manufactures
MC87-I-23D (Preliminary)

Gloves

According to the Census Bureau, the preliminary 1987 value of dress and work gloves and mittens was $192 million, declining 7% from the 1982 total of $207 million.

PRODUCT SHIPMENTS

Gloves (continued)

Later data (covering 1987) is available on shipments of gloves by U.S. manufacturers through the Current Industrial Reports Series compiled on the basis of a survey by the Census Bureau among manufacturers of leather, fabric, rubber and plastic gloves and mittens, as well as jobbers.

Quantity & Value of Product Shipments of Gloves & Mittens
By All U.S. Producers: 1984, 1985
(Quantity in thousands of dozens; value in millions of dollars)

	Quantity		% Change	Value		% Change
	1987(p)	1986	1987/86	1987(p)	1986	1987/86
All fabric gloves & mittens	20,412	20,073	1.7%	$166.3	$189.4	-12.2%
Knit fabric	12,500	na	--	81.0	na	--
Woven fabric	7,912	na	--	85.3	na	--
Leather & fabric combination	677	729	- 7.1	31.6	37.6	-16.0
All leather	1,692	1,753	- 3.5	123.4	125.0	- 1.3

(p) preliminary
na not available

Source: U.S. Bureau of the Census:
Current Industrial Reports,
Gloves & Mittens MA23D (87)-1

The National Cotton Council of America, Memphis, TN, compiles annual information on U.S. production of gloves and mittens.

Production of Gloves & Mittens: 1985-1988
(Thousands of dozens)

	1988(p)	1987(r)	1986(r)	1985
Gloves & mittens (women's & men's) (pairs)	26,857	25,312	24,053	24,425
Principally knit	18,162	16,511	15,378	10,802
Principally woven	8,127	8,260	8,109	13,046
Leather & fabric combination, excl. all leather	568	541	566	577

(p) preliminary
(r) revised

Source: National Cotton Council of America:
Cotton Counts its Customers (1989 Edition)

PRICE TRENDS

Producer Prices

A comparison of producer prices for June 1989 (latest data available), with June 1988, shows a mixed picture. The sharpest price increases, rising over 5%, were in costume jewelry, luggage and hat categories.

Producer (Factory) Prices For Specified Accessories Categories
(1982-100 unless otherwise indicated)

	Seasonally Unadjusted Indexes		Percent Change June 1989 From	
	June 1989	Dec. 1988	June 1988	May 1989
Jewelry and jewelry products	114.8	114.5	1.5%	- 0.1%
Jewelry, platinum and karat gold	116.7	118.1	- 0.7	- 0.5
Other precious metal jewelry	112.4	111.9	3.5	1.0
Costume jewelry & novelties	122.6	119.4	5.2	0.2
Made of base metal**	109.3	106.0	6.1	0.3
Jewelers' findings & materials	111.5	108.7	3.7	0.5
Watches, clocks & timing mechanisms	112.4	110.4	2.4	0.6
Watches##	100.5	100.5	- 0.2	0.0
Luggage & small leather goods	121.5	119.9	2.7	0.0
Hand luggage*	104.5	103.8	2.2	- 0.1
Luggage other than hand luggage*	118.0	112.7	5.5	0.0
Women's & children's handbags & purses#	122.3	122.7	0.3	0.0
Other personal leather goods#	123.8	121.6	4.2	0.0
Gloves, including work	117.2	115.5	3.4	- 0.8
All leather dress & semi-dress gloves & mittens**	117.3	112.7	4.6	0.0
Belts, leather**	110.9	106.5	4.2	- 0.1
Belts, other than leather**	104.1	101.6	3.3	0.0
Millinery**	104.0	103.7	4.5	- 2.3
Cloth hats & caps**	109.3	107.2	4.6	0.0
Hats & hat bodies except cloth & millinery**	114.8	110.1	5.3	0.0
Miscellaneous apparel & accessories###	109.2	109.5	- 0.2	- 0.2
Apparel & accessories, n.e.c.***	106.6	105.9	2.3	- 0.2

Base periods other than 1982

# June 1982-100
## June 1983-100
### December 1983-100
* December 1984-100
** June 1985-100
*** December 1985-100
n.e.c. not elsewhere classified

Source: U.S. Department of Labor, Bureau of Labor Statistics
(Commodity Groupings-& Industrial Items)

FOREIGN TRADE

The devaluation of the U.S. dollar against major foreign currencies had an important and positive impact on rising levels of U.S. exports in most accessories categories in 1988. This can be seen in such segments as luggage, where exports rose 46% in value in 1988 over 1987; handbags, where exports rose 26.5% in quantity and 44.6% in value, and precious metal jewelry, which saw a 41.3% jump in value, according to the International Trade Commission.

The rise in exports did not stop the threat that imported accessories have on domestic manufacturers. Because of the labor intensive nature of accessory manufacturing, labor represents a high proportion of total production costs. Therefore, accessories industries are vulnerable to competition from countries where wage rates are far below U.S. levels. As a result, U.S. market penetration of imported accessories is still high in every measured category, ranging from about 54% for luggage to 70% for handbags and purses according to the International Trade Administration. Major suppliers of accessories to the U.S. in 1988 were Taiwan, South Korea, China and Hong Kong. Italy and France were major suppliers of higher-priced leather goods, while Switzerland continued to be a major supplier of watches.

Although market penetration of imports remained high in 1988, the flow of imports into the U.S. actually increased at a slower pace than in previous years, and in some cases even registered declines. In response to changing foreign exchange ratios, many foreign producers have reduced their profit margins in order to maintain cost advantages, while others have shifted production to other countries which are not as severely affected by the lower value of the U.S. dollar.

Data from the U.S. Dept. of Commerce gives import and export ratios for specific accessories categories. The import/supply ratio shows the percentage of the total U.S. supply of the category that were imports for the year. In comparing 1988 figures with the previous year, the proportion of imports to total supply has increased in all segments except luggage and precious metal jewelry, where imports dropped 5% and 3.7%, respectively.

The exports/shipments ratio indicates the proportion of the U.S. produced supply that was shipped abroad. This ratio increased in all measured accessories segments, with the highest rise of 71.4% occurring in the luggage industry.

Import and Export Ratios of Accessories: 1986-1988

	1988(e)	1987(e)	1986	% Change 1988/87	Compound Annual Growth Rate 1981-1986
Leather gloves & mittens (SIC 3151)					
Import/new supply ratio	0.390	0.376	0.365	3.7%	9.0%
Export/shipments ratio	0.068	0.059	0.063	15.3	3.9
Luggage (SIC 3161)					
Import/new supply ratio	0.547	0.576	0.554	- 5.0	13.7
Export/shipments ratio	0.072	0.042	0.033	71.4	-13.5
Handbags & purses (SIC 3171)					
Import/new supply ratio	0.700	0.681	0.657	2.8	8.6
Export/shipments ratio	0.033	0.030	0.026	10.0	- 6.8
Personal goods, n.e.c. (SIC 3172)					
Import/new supply ratio	0.479	0.454	0.424	5.5	13.2
Export/shipments ratio	0.079	0.066	0.048	19.7	- 4.4
Costume jewelry (SIC 3961)					
Import/new supply ratio	0.342	0.330	0.306	3.6	10.4
Export/shipments ratio	0.088	0.065	0.057	35.4	- 7.7
Precious metal jewelry (SIC 3911)					
Import/new supply ratio	0.366	0.380	0.347	- 3.7	15.2
Export/shipments ratio	0.079	0.066	0.048	19.7	- 4.4

(e) estimated

n.e.c. not elsewhere classified

Note: The above ratios are calculated based on the Customs Value of imports (price paid abroad) and the f.a.s. (free alongside ship) value of U.S. exports.

Source: U.S. Department of Commerce,
International Trade Administration:
1989 U.S. Industrial Outlook

Summary of U.S. Imports & Exports of Accessory Items: 1986-1988

	Annual Total			% Change
	1988	1987	1986	1988/87
Handbags				
Imports:				
Quantity (thous. units)	197,456	208,426	196,389	- 5.2%
Value (thous. $)*	$ 829,627	$ 797,585	$ 652,140	4.0
Exports:				
Quantity (thous. units)	1,554	2,114	1,716	- 26.5
Value (thous. $)**	$ 16,091	$ 11,129	$ 8,775	44.6
Luggage				
Imports:				
Value (thous. $)*	$ 842,562	$ 851,344	$ 692,129	- 1.0
Exports:				
Value (thous. $)**	$ 37,032	$ 25,350	$ 18,081	46.0
Flat Goods#				
Imports:				
Value (thous. $)*	$ 256,900	$ 229,061	$ 182,871	12.2
Exports:				
Value (thous. $)**	$ 7,835	$ 9,463	$ 6,104	- 17.2
Watches & watch movements				
Imports:				
Quantity (thous. units)	212,780	195,366	160,309	8.9
Value (thous. $)*	$1,466,287	$1,303,908	$1,129,685	12.5
Exports:				
Quantity (thous. units)	1,546	1,112	1,288	39.0
Value (thous. $)**	$ 31,119	$ 21,213	$ 17,175	46.7
Jewelry, total				
Imports:				
Value (thous. $)*	$3,152,662	$2,963,940	$2,762,101	6.4
Exports:				
Value (thous. $)**	$ 412,382	$ 291,772	$ 234,660	41.3
Precious metal jewelry				
Imports:				
Value (thous. $)*	$2,336,728	$2,195,147	$1,996,334	6.5
Exports:				
Value (thous. $)**	$ 284,479	$ 191,930	$ 148,497	-48.2
Costume jewelry				
Imports:				
Value (thous. $)*	$ 522,595	$ 489,010	$ 463,060	6.9
Exports:				
Value (thous. $)**	$ 118,976	$ 92,687	$ 79,619	28.4

(continued)

Summary of U.S. Imports & Exports of Accessory Items: 1986-1988
(continued)

	Annual Total			% Change
	1988	1987	1986	1988/87
Pearls, natural or cultured				
Imports:				
Value (thous. $)*	$ 175,081	$ 155,732	$ 193,903	12.4%
Exports:				
Value (thous. $)**	$ 1,284	$ 782	$ 1,324	64.2
Gloves				
Imports:				
Quantity (thous. doz.)	674,089	138,678	89,309	386.1
Value (thous. $)*	$ 840,144	$ 400,837	$ 351,778	109.6
Exports:				
Quantity (thous. doz.)	60,548	35,939	29,018	68.5
Value (thous. $)**	$ 156,286	$ 105,916	$ 102,314	47.6
Neckwear				
Imports:				
Quantity (thous. doz.)	1,807	1,698	1,666	6.4
Value (thous. $)*	$ 90,172	$ 69,438	$ 59,354	35.7
Exports:				
Quantity (thous. doz.)	625	583	281	7.2
Value (thous. $)**	$ 6,001	$ 5,236	$ 3,601	14.6
Headwear				
Imports:				
Quantity (thous. doz.)	75,394	75,326	67,044	0.0
Value (thous. $)*	$ 302,951	$ 282,327	$ 255,971	7.3
Exports:				
Quantity (thous. doz.)	1,540	1,283	1,062	20.0
Value (thous. $)**	$ 24,695	18,824	16,515	31.2

* Customs value, which represents the price paid when sold for export, does not include U.S. import duties, freight, insurance & other charges incurred in bringing the merchandise to the U.S.

** f.a.s. (free alongside ship) U.S. port of export.

# Items such as wallets and billfolds, eyeglass, cigarette, key, and non-musical instrument cases. These products are referred to as flatgoods because they fit into pockets or handbags.

Source: U.S. International Trade Commission:
U.S. Trade Shifts in Selected Commodity Areas, Annual, 1988, USITC Publication 2197

FOREIGN TRADE

A more detailed break-out on the quantity and value of accessories imports and exports was provided by the U.S. Bureau of the Census in their FT135 and FT140 reports. It should be noted that import values are measured in C.I.F. values (cost, insurance, freight) in the FT135 report, and will therefore differ from figures cited in the summary chart, where imports were measured in customs value.

Imports

Quantity & Value of U.S. General Imports
Of Specified Accessories: 1987, 1988
(Value in thousands of $)

		1988		1987	
	Units of Measure	Quantity	Value*	Quantity	Value*
Mufflers, scarves, shawls, etc.	Thous. of doz.	--	$280,089	--	$153,244
Cotton, not knit	" " "	542.7	12,714	330.8	7,046
Wool, not knit	" " "	571.0	41,121	620.6	34,509
Silk	" " "	1,385.0	93,464	901.1	52,625
Manmade fibers	" " "	5,806.0	127,152	3,181.5	54,400
Other & type not spec.	Thous. of lbs.	92.2	5,638	69.3	4,664
Gloves & glove linings, total	Thous. doz. prs.	--	442,410	--	411,338
Woven fabric		10,632.5	64,337	9,962.0	63,597
Manmade fibers	" " "	2,737.7	40,019	2,414.8	37,437
Other	" " "	7,894.8	29,318	7,547.2	26,160
Knit	" " "	19,042.0	84,646	18,190.8	79,639
Cotton	" " "	11,707.6	33,802	10,090.5	27,289
Manmade	" " "	6,928.1	41,235	7,382.1	40,138
Other & type not spec.	" " "	406.3	9,609	718.2	12,212
Leather, type not spec.	" " "	8,565.2	131,875	15,518.3	118,886
Men's leather gloves					
Not lined, seamed	" " "	294.4	8,971	198.1	5,917
Lined, seamed	" " "	219.5	9,005	233.0	8,333
Women's & children's leather gloves					
Not lined	" " "	26.6	2,089	36.8	1,636
Lined, seamed	" " "	296.0	22,890	308.7	17,926
Type not specified	" " "	nr	118,597	nr	115,404
Handkerchiefs, total	Thous. of doz.	5,130.6	18,779	5,836.6	21,430
Cotton	" " "	4,759.7	12,093	4,329.3	11,521
Silk	" " "	335.0	6,014	417.9	6,609
Linen	" " "	36.6	672	1,052.3	2,666
Leather belts for apparel		nr	147,353	nr	148,420

(continued)

FOREIGN TRADE

Imports (continued)

Quantity & Value of U.S. General Imports Of Specified Accessories: 1987, 1988

(Value in thousands of $)
(continued)

	Unit of Measure	1988		1987	
		Quantity	Value*	Quantity	Value*
Handbags, pocketbooks, total		nr	nr	197,801.7	817,357
Leather, excl. reptile	Thousands	38,631.2	489,347	38,553.4	451,503
Plastic, not reinforced or laminated	" "	87,516.4	202,735	86,657.2	186,744
Textiles, type not spec.	" "	52,252.3	123,460	62,692.8	144,644
Beaded, bugles, spangles, imitation gemstone	" "	1,471.5	8,054	1,632.1	9,052
Paper yarns	" "	126.2	606	136.0	802
Materials not spec.	" "	9,964.8	37,854	8,130.2	24,612
Billfolds, key cases, change purses, total		nr	287,907	nr	231,303
Leather	" "	nr	179,656	nr	160,213
Textile materials	" "	nr	31,552	nr	29,742
Type not spec.	" "	nr	76,699	nr	61,348

nr not reported

*C.I.F. Value (Cost, insurance, freight) refers to the value of imports at the first port of entry. It includes the purchase price plus freight, insurance and other charges involved in bringing the merchandise from the country of exportation, but not U.S. import duties.

General imports are a combination of entries for immediate consumption, entries into Customs bonded warehouses, and entries into U.S. Foreign Trade Zone.

Source: U.S. Bureau of the Census:
U.S. General Imports & Imports for Consumption
(FT 135/December 1987)

Exports

As the U.S. dollar lost value in relation to foreign currencies, U.S. manufacturers have become more competitive in price abroad. This has resulted in sharp increases in the value of exports. This is noteworthy in categories of accessories reported by the Census Bureau.

FOREIGN TRADE

Exports (continued)

Value of U.S. Exports of Reported Accessories Items: 1987, 1988
(Thousands of dollars)

	1988	1987	% Change 1988/87
Handbags	16,091	1,019	1,479.1%
Leather	7,582	400	1,795.5
Plastics	2,235	290	670.7
Other materials	6,274	329	1,807.0
Billfolds, key cases, change purses, etc.	7,836	457	1,614.7
Luggage (including brief cases, carrying cases, etc.)	37,033	2,212	1,574.2
Mufflers, scarves, shawls, veils	2,493	508	390.7
Neckties (men's & boys')	6,001	58	10,246.6
Gloves & glove linings			
Cotton	11,023	23	47,826.1
Wool	154	--	--
Manmade fibers	4,319	274	1,478.3
Other textile materials & type not specified	13,054	199	6,549.8
Plastics or rubber (excl. surgical)	27,436	1,071	2,461.7

* Value is f.a.s. (free alongside ship) which is based on the transaction price, including freight, insurance and other charges incurred in placing the merchandise alongside the carrier at the U.S. port of exportation.

Source: U.S. Bureau of the Census:
FT 410, U.S. Exports

Gloves

Information on the overall supply picture, and the role of imports and exports, is compiled annually for gloves by the Census Bureau.

Exports & Imports of Gloves & Mittens: 1986, 1987
(Quantity in thous. doz. pairs; value & import duty in millions of dollars)

	Exports		% Exports to Shipments		Imports for Consumption**	
	1987	1986	1987	1986	1987	1986
Fabric gloves & mittens*						
Quantity	5,848	4,476	27.7	21.5	28,070	26,543
Value	22.9	23.7	11.6	10.4	143.1	167.3
Leather gloves & mittens						
Quantity	338	330	20.0	18.8	8,291	8,046
Value	8.8	8.9	7.1	7.1	152.6	161.6

* Includes fabric & leather combinations

** The dollar value represents the c.i.f. (cost, insurance and freight) value at first port of entry in the U.S. plus import duties.

Source: U.S. Bureau of the Census:
Current Industrial Reports:
Gloves & Mittens (MA23D(87)-1)

Gloves (continued)

Imports Share of Apparent Consumption*
Quantity & Value: 1985-1987

	1987	1986	1985
Fabric gloves & mittens**			
Quantity	64.8	62.0	58.0
Value	45.0	45.1	44.0
Leather gloves & mittens			
Quantity	86.0	85.0	86.4
Value	57.1	58.2	59.5

* Apparent consumption represents new domestic supply and is derived by subtracting exports from the total of manufacturers shipments plus imports.

** Includes fabric & leather combinations

Source: U.S. Bureau of the Census,
Current Industrial Reports:
Gloves & Mittens (MA23D (86)-1 and (87)-1)

AT THE RETAIL LEVEL

THE POTENTIAL MARKET

Population Projections: 1988, 1995, 2005
(Middle Series*)

	Number (Thousands)			% Change	Percent Distribution		
	1988	1995	2005	2005/1988	1988	1995	2005
MALE							
Total, all ages	120,054	127,123	134,858	12.3%	100.0%	100.0%	100.0%
Under 16 years	28,798	30,289	28,873	0.3	24.0	23.8	21.4
16 years & over	91,255	96,834	105,984	16.1	76.0	76.2	78.7
16 - 19	7,598	7,077	7,968	4.9	6.3	5.6	5.9
20 - 34	31,813	29,409	27,744	- 12.8	26.5	23.1	20.6
35 - 54	29,216	36,396	41,044	40.5	24.3	28.6	30.4
55 - 64	10,273	10,149	14,321	39.4	8.6	8.0	10.6
65 & over	12,356	13,803	14,907	20.6	10.3	10.9	11.0
Median age (years)	31.2	33.6	36.5	17.0	--	--	--
FEMALE							
Total, all ages	125,995	133,016	140,746	11.7%	100.0%	100.0%	100.0%
Under 16 years	27,441	28,832	27,429	- 0.04	21.8	21.7	19.5
16 years & over	98,554	104,184	113,317	15.0	78.2	78.3	80.5
16 - 19	7,290	6,775	7,620	4.5	5.8	5.1	5.4
20 - 34	31,439	29,036	27,361	- 13.0	24.9	21.8	19.4
35 - 54	30,255	37,238	41,527	37.3	24.0	28.0	29.5
55 - 64	11,527	11,175	15,442	34.0	9.1	8.4	11.0
65 & over	18,043	19,961	21,367	18.4	14.3	15.0	15.2
Median age (years)	33.5	35.8	39.2	17.7	--	--	--
TOTAL, MALE & FEMALE							
Total, all ages	246,048	260,138	275,604	12.0	100.0%	100.0%	100.0%
Under 16 years	56,239	59,120	56,303	0.1	22.9	22.7	20.4
16 years & over	189,810	201,018	219,301	15.5	77.1	77.3	79.7
16 - 19	14,888	13,852	15,588	4.7	6.0	5.3	5.6
20 - 34	63,252	58,444	55,166	- 12.8	25.7	22.5	20.0
35 - 54	59,472	73,633	82,570	38.8	24.2	28.3	30.0
55 - 64	21,799	21,325	29,763	36.5	8.9	8.2	10.8
65 & over	30,399	33,764	36,275	19.3	12.3	13.0	13.2
Median age (years)	32.3	34.7	37.8	17.0	--	--	--

* Middle of a series of three different projections, each based on alternative assumptions for future fertility, mortality, and net immigration levels. Includes Armed Forces overseas.

Note: Columns may not add to totals shown due to rounding.

Source: U.S. Bureau of the Census:
Current Population Reports,
Series P-25, No. 1018

THE POTENTIAL MARKET

Bridal Market

The bridal market is an important selling opportunity for jewelry and other bridal accessories. Total marriages have been trending down. In the 12 months ending May 1989, 2,382,000 were reported. The 1988 total was 1.3% below the 1987 level.

Marriages in 1987 and 1988 exhibited the usual seasonal variations, with more couples marrying in June than in any other month, and the fewest marriages occurring in January according to the National Center for Health statistics. The 1988 marriage rate for June (13.8) was more than twice that for January (5.8).

Number of Marriages By Month: 1987, 1988

	Number (in thous.)		% of U.S. Total	
	1988	1987	1988	1987
U.S. Total	2,389	2,421	100.0%	100.0%
January	120	132	5.0	5.5
February	121	133	5.1	5.5
March	175	174	7.3	7.2
April	181	192	7.6	7.9
May	223	231	9.3	9.5
June	277	288	11.6	11.9
July	226	230	9.5	9.5
August	243	233	10.2	11.3
September	229	228	9.6	9.4
October	218	206	9.1	8.5
November	176	174	7.4	7.2
December	200	200	8.4	8.3

Source: U.S. Department of Health & Human Services: Monthly Vital Statistics Report

A distribution of marriages by region showed the highest percentage of marriages in 1987 and 1988 occurred in the South Atlantic, while the lowest percentage was reported in the New England area.

Distribution on Marriages By Region: 1987, 1988

	% of U.S. Total	
	1988	1987
U.S. Total	100.0%	100.0%
South Atlantic	19.0	18.3
East North Central	14.4	14.6
Middle Atlantic	13.1	13.1
Pacific	12.8	13.8
West South Central	11.5	12.0
Mountain	10.0	10.0
East South Central	7.9	7.1
West North Central	6.5	6.2
New England	4.8	4.9

Note: Data arranged by state of occurrence, rather than by state of residence.

Source: U.S. Department of Health & Human Services: Monthly Vital Statistics Report

NATIONAL ADVERTISING

Estimates on advertising-to-sales ratios by industry are compiled by Schonfeld & Associates, Evanston, IL, from a variety of sources, including the 10-K reports of publicly held companies. The following was published in Advertising Age magazine from the complete report, "Advertising Ratios & Budgets", which includes forecasts.

In using the data it should be noted that expenditures included as advertising in 10-K reports may vary from company to company; privately-owned companies are not included; multi-industry companies are reported only in their primary industry (based on sales of their dominant line of business).

1988 Advertising Ratios for Specified Accessories Categories
(All media)

	Ad Dollars As % of Sales (e)	Ad Dollars As % of Margins (e)	Ad Dollars Annual Growth Rate % (e)
Jewelry, precious metal	1.7%	3.6%	12.4%
Costume jewelry, buttons, notions	2.3	6.0	26.7
Jewelry, watches, diamonds-wholesale	4.7	23.0	11.6
Watches, clocks & parts	2.0	7.4	2.4
Jewelry stores	3.9	8.6	(5.8)
Apparel & accessories stores	2.3	5.6	12.4

() represents a loss
(e) estimated

Source: Schonfeld & Associates, Evanston, IL,
Advertising Age, (October 24, 1988)

CONSUMER EXPENDITURES

Because of the many classifications that might be included in an accessories definition, and the lack of an accepted standard, little reliable information is available on the value of the retail market in total, as well as for many of the component classifications.

This Fact File focuses on specific types of fashion accessories for which statistical data are available and which are not covered in other Fairchild Fact Files (such as Hosiery/Legwear and Men's Clothing and Furnishings). By some definitions these might be considered accessories.

It is estimated that the retail market for major classifications of fashion accessories for adults covered in this Fact File, not including jewelry, is valued at about $12 billion. When the U.S. Census Bureau releases data on merchandise line sales by type of retail outlet based on the 1987 census of retail trade, some information will be included on accessories sales in major outlet types, but not for all outlets.

CONSUMER EXPENDITURES

The U.S. Bureau of Labor Statistics conducts an ongoing Consumer Expenditure Survey to provide a continuous flow of information on patterns in spending of American households. Information is provided for four geographical regions, covering a total of 94,150,000 households. As noted below, average spending for women's accessories was highest in the West at $20.89 (with 20.3% of the U.S. household total), and was lowest in the Midwest at $18.25 (with 25.5% of the households). The quarterly average percent of households reporting a purchase of women's accessories, however, was highest in the Midwest. Results are from the recently released report on 1987 expenditures, and purchases of gifts are not included in the accessories totals.

Per household spending for men's accessories averaged highest in the West, and were lowest in the Midwest, following the same pattern noted for women. The 1987 quarterly average percent of households purchasing adult men's accessories was again highest in the Midwest.

1987 Household Expenditure Patterns for Accessories By U.S. Regions: 1987

	Northeast	Midwest	South	West
Percent of U.S. households*	21.0%	25.5%	33.2%	20.3%
Average annual household expenditures:**				
Women's accessories	$ 20.82	$ 18.25	$18.89	$20.89
Men's accessories	10.83	9.61	9.27	12.23
Jewelry	101.79	82.87	122.04	127.78
Watches	19.19	22.52	31.97	21.47
Gift purchases: jewelry, watches	29.20	23.41	21.05	19.08
Quarterly average % of households reporting a purchase of --				
Women's accessories	14.80%	16.24%	15.20%	15.30%
Men's accessories	9.13	9.79	8.44	9.33
Jewelry	13.95	15.69	14.58	16.05
Watches	6.09	8.72	7.96	8.03
Gift purchases: jewelry, watches	18.16	21.32	19.71	21.44

* Separately counted and included are adults who are financially independent and living either alone or with others.

** The average is based on all households, which includes both purchasers and non-purchasers of the specified classification. NOTE: Purchases of gifts are not included; except where noted for jewelry and watches.

Source: U.S. Bureau of Labor Statistics:
1987 Consumer Expenditure Survey

CONSUMER EXPENDITURES

The Department of Commerce reports consumer spending data in the accessories industry only for those categories noted below. After increasing 6.1% between 1986 and 1987, personal consumption expenditures for jewelry and watches rose just 1.6% in 1988, reaching $24.6 billion. At $2.6 billion, women accounted for 80% of the spending for luggage, small leather goods, handbags and wallets in 1988. These expenditures cover the value at retail of goods reaching the consumer through all channels, including direct sales by manufacturers or wholesalers, etc.

Total U.S. personal consumption expenditures for all goods and services rose an estimated 8.2% in 1988 to a preliminary total of $3,472.9 billion from $3,209.7 billion in 1987.

Personal Consumption Expenditures for Specified Accessories: 1982, 1987, 1988
(Millions of dollars)

	1988(p)	1987(r)	1982	% Change 1988/87	% Change 1988/82
Jewelry & watches	$24,647	$24,255	$16,654	1.6%	48.0%
Luggage, small leather goods, handbags, wallets, etc.	3,306	3,092	2,074	6.9	59.4
Men's	661	618	415	7.0	59.3
Women's	2,645	2,474	1,659	6.9	59.4

(p) preliminary
(r) revised

Source: U.S. Department of Commerce,
Office of Business Economics

RETAIL OUTLETS

The number of stores specializing in accessories has increased in recent years. The total number, including mainly jewelry stores, was 32,174 in 1986, up from 30,535 in 1982. The number of employees were 175,500, up from the 170,309 reported in 1982 by the Census Bureau.

Women's accessories and specialty stores, however, declined in number, dropping to 5,732 in 1986 from 5,866 in 1982. The number of employees, in these stores, rose slightly to 27,500 from 27,400. Increases occurred in jewelry stores, numbering 24,539 in 1986 from 22,786, and luggage and leather goods stores which grew to 1,903 from 1,883.

Two important factors in the merchandising of accessories are the opening of freestanding stores selling accessories exclusively, and the licensing of designer and brand names. Open-sell, where the goods are merchandised on top of the counter, is becoming more important to increasing sales, as the customer wants to be able to inspect the merchandise.

RETAIL OUTLETS

Percent of Accessories Retail Stores by Employment Size: 1986

	Total	Total	Under 20	20-49	50-99	100-249	250-499	Over 500
Accessories stores, total								
Establishments (No.)	32,174.0	100.0%	97.5	2.1	0.3	0.3	--	--
Employees (thous.)	175.5	100.0%	82.2	10.5	(D)	(D)	--	--
Women's accessories & specialty stores								
Establishments (No.)	5,732.0	100.0%	98.0	1.7	0.2	0.1	--	--
Employees (thous.)	27.5	100.0%	83.7	9.9	2.6	3.8	--	--
Jewelry stores								
Establishments (No.)	24,539.0	100.0%	97.5	2.1	0.3	0.1	.008	.004
Employees (thous.)	136.1	100.0%	82.3	10.5	3.5	2.5	(D)	(D)
Luggage & leather goods stores								
Establishments (No.)	1,903.0	100.0%	96.4	2.8	0.6	0.1	--	--
Employees (thous.)	11.9	100.0%	77.7	13.0	(D)	(D)	--	--

(D) Figures withheld to avoid disclosing data for individual companies.

Source: U.S. Bureau of the Census:
1986 County Business Patterns

RETAIL SALES BY PRODUCT

Official information on merchandise line sales in specific retail outlet types is limited to that made available every five years by the U.S. Bureau of the Census, based on a complete survey of all retail outlets with one or more paid employees. The most recent census, covering operations in 1982, was released by the Bureau in early 1986. Information from this report is included in the 1987 Fashion Accessories Fact File, including reported sales of men's and women's accessories, and jewelry by store type. Results of the next census, covering operations in 1987, will not be available until sometime after 1989.

As quoted in Women's Wear Daily (May 19, 1989), Reenie Brown, publisher of Accessories magazine, reported retail sales of accessories to total approximately $17 billion for 1988. Fashion jewelry was one of the more explosive categories with retail sales reaching $5 billion in 1988; fashion watch sales hit $2 billion, handbags $3 billion, and scarf sales were $400 million.

RETAIL SALES BY PRODUCT

Retail sales of luggage, business cases and trunks rose by 4% in 1988, topping $3 billion for the first time, according to Showcase magazine. The increase in dollar sales came about mainly as a result of higher prices and fewer markdowns, as unit sales were virtually flat. Retail sales of personal leather goods also increased, climbing to $920 million in 1988, an 8% rise over 1987. Ninety-four retailers surveyed by Showcase magazine predicted 1989 luggage sales would grow 3.5% over 1988 figures, while sales of personal leather goods would rise 5%.

Retail Sales of Luggage, Business Cases and Trunks: 1987, 1988
(Millions of dollars)

	1988	1987	% Change 1988/87
Luggage	$2,437.0	$2,343.0	4.0%
Business Cases	646.0	615.0	5.0
Trunks	26.0	24.3	7.0
Total	3,109.0	2,293.0	4.2

Luggage Sales by Type of Retailer: 1987, 1988
(Millions of dollars)

	1988	1987	1988/87
Catalog showroom	$292.0	$310.4	- 6.0%
Chain/mass merchant	610.0	586.0	4.0
Department stores	704.0	683.4	3.0
Luggage stores	269.0	243.7	10.0
Mail order	195.0	181.7	7.0
Military	73.0	62.4	17.0
Other*	293.0	275.7	8.0

* Represents specialty stores (gift, drug, sports, stationery), also promotional/incentive sales.

Retail Sales of Personal Leather Goods: 1987, 1988
(Millions of dollars)

	1986	1987	% Change 1988/87
Total sales	$920.0	$851.6	8.0%
Men's items	414.0	383.0	8.1
Women's items	506.0	468.0	8.1

(continued)

RETAIL SALES BY PRODUCT

Personal Leather Goods Sales by Type of Retailer: 1987, 1988
(Millions of dollars)

	1988	1987	% Change 1988/87
Department stores	432.0	394.0	9.6%
Discount/mass merchant	230.0	240.0	- 4.2
Luggage stores	110.0	89.0	23.6
Other	147.0	129.0	14.0

Source: Luggage & Leather Goods Manufacturers Association: Showcase Magazine, May-June 1989

Sales of sunglasses in the U.S. for 1988 reached $1.35 billion, according to the Sunglass Association of America. This is an increase of $27 million over 1987, and the fifth year in a row that nonprescription eyewear sales were in billion-dollar figures according to the association. Although dollar sales rose 2% for the year, unit sales fell from 189 million to 180 million pairs. The average price for a pair of sunglasses sold in the U.S. was $7.50, up 50 cents from 1987.

Retail Sales of Nonprescription Sunglasses: 1986, 1987, 1988
(In millions of dollars and units)

	1988	1987	1986	% Change 1988/87
Pairs sold	180	189	175	- 4.8%
Total retail	$1.35	$1.32	$1.2	2.3

Source: Sunglass Association of America

Sales of Jewelry By Discount Stores: 1988
(Billions of dollars)

Full-line discounters	$ 2.0
Catalogers	2.6
Specialty discounters, off-price chains	0.8

Source: Discount Store News, July 17, 1989

RETAIL SALES BY PRODUCT

Hair ornaments have become one of the highest growth categories in accessories in recent years, with sales expected to exceed $500 million in 1989, according to Women's Wear Daily (June 30, 1989). Retailers saw an increase in sales in 1988 over 1987 as listed below.

Percent Change in Retail Sales of Hair Accessories
1988/1987

Chain drug stores	24%
Independent drug stores	5
Discounters	23
Supermarkets	27
Combos	21

Source: Chain Drug Review, January 30, 1989

RETAIL SALES BY STORE TYPE

Department Stores

Sales of specified accessories in department and specialty stores for 1982 (latest currently available) were included in the 1987 edition of this Fact File. The information came from the 1982 census of retail trade, U.S. Bureau of the Census. 1987 figures will be released by the Census Bureau in 1990.

Merchandising & Operating Results of Specified Accessories In Department Stores With Total Sales Over $2 Million: 1987
(Typical median Results)

	Women's Accessories				
	Fine Jewelry & Watches (39)#	Costume Jewelry (57)#	Gloves (55)#	Handbags (56)#	Small Leather Goods (37)#
Net sales, % change from last year	5.9%	4.7%	- 1.4%	15.1%	26.7%
Sales, % to total store sales	1.0	2.1	0.6	1.9	0.4
$ sales per square foot of selling space (main or largest selling unit)	$299.0	$191.0	$169.5	$152.0	$163.5
Cumulative markon, %	50.7%	55.6%	55.0%	54.9%	54.3%
Gross margin, % of sales (incl. cash discounts)	44.1	48.7	46.7	46.5	48.2
Advertising, % of net sales	4.4	2.6	3.0	2.1	2.1
Selling salaries, % of net sales	7.9	8.4	8.1	7.9	7.9
Number of stock turns (times)	2.5	2.5	3.4	3.1	2.8

(continued)

Department Stores (continued)

Merchandising & Operating Results of Specified Accessories In Department Stores With Total Sales Over $2 Million: 1987
(Typical (median) Results)

	Women's Accessories			
	Millinery (21)#	Neckwear, Rainwear Belts Handkerchiefs (52)#	Men's & Boys' Accessories (17)#	Luggage (47)#
Net sales, % change from last year	- 11.8%	20.0%	7.6%	6.0%
Sales, % to total store sales	0.2	0.8	1.0	0.6
$ sales per square foot of selling space (main or largest selling unit)	$ 28.0	$162.0	nr	91.5
Cumulative markon, %	55.5%	56.5%	nr	28.7%
Gross margin, % of sales (incl. cash discounts)	44.4	50.7	48.3	20.3
Advertising, % of net sales	3.6	3.4	nr	3.2
Selling salaries, % of net sales	nr	8.3	nr	8.5
Number of stock turns (times)	3.3	2.6	2.4	2.1

nr not reported

# Number in parenthesis refers to the number of reporting firms in each category

Source: National Retail Merchants Association: Merchandising & Operating Results (1988 Edition)

Specialty Stores

Merchandising & Operating Results of Specified Accessories In Women's Specialty Stores With Total Sales Over $1 Million: 1987
(Typical (median) results)

	Total Adult Female Accessories (14)#	Costume Jewelry (12)#	Gloves (5)#	Handbags (7)#	Small Leather Goods (5)#
Net sales, % change from last year	10.4%	8.9	3.1	18.5	5.1%
Sales, % to total store sales	10.0	3.2	1.0	2.6	1.4
$ sales per square foot of selling space (main or largest selling unit)	$159.5	na	na	na	na
Cumulative markon, %	52.8%	54.3	na	54.0	na
Gross margin, % of sales (incl. cash discounts)	47.1	49.5	na	44.4	na
Advertising, % of net sales	na	na	na	na	na
Selling salaries, % of net sales	9.7	na	na	na	na
Number of stock turns (times)	2.6	2.4	na	3.3	na

(continued)

RETAIL SALES BY STORE TYPE

(footnotes continued)

na not available
# Number in parenthesis refers to the number of reporting firms in each category.

Source: National Retail Merchants Association: Merchandising & Operating Results (1988 Edition)

Merchandising & Operating Results of Men's Accessories In Men's Wear Stores: 1988
(Typical (median) results)

	Total Store	Men's Accessories	Men's Belts
% change in sales from last year (75)*	3.7%	7.2%	12.1%
% to total store sales (86)*	100.0	1.8	1.0
% to total sales in merchandise division**(78)*	--	10.8	6.0
% distribution of average inventory within merchandise division** (45)*	--	14.0	7.2
Number of stock turns (times) (50)*	1.9	1.5	1.6
Markdowns, % of sales (64)*	15.3	6.7	4.0

* Number in parentheses refers to the number of reporting firms in each category

**Merchandise division for accessories and belts is men's furnishings

Source: Menswear Retailers of America: 1989 Annual Business Survey

RETAIL ADVERTISING

Retail advertising for accessory items are highest in May, November and December according to data compiled by the Advertising Checking Bureau. This reflects the gift nature of the accessory category, with advertising peaking during the wedding and Christmas season.

Accessory Ad Linage in Newspapers: 1988
(Percent of annual total by months)

Month	Women's Accessories	Women's Jewelry	Handbags	Men's Furnishings & Accessories
January	1.7%	1.4%	1.7%	1.6%
February	5.0	7.2	6.9	6.1
March	9.0	6.0	10.9	6.8
April	10.7	7.5	6.9	4.8
May	10.5	11.2	9.0	5.6
June	2.5	5.5	6.2	18.9
July	3.1	3.7	6.1	3.5
August	5.3	6.5	8.3	7.7
September	6.2	7.9	10.9	5.8
October	7.1	9.4	8.1	9.3
November	12.3	15.3	10.5	8.7
December	26.6	18.4	14.5	21.2

Source: Newspaper Advertising Bureau, Inc.: 1990 Newspaper Advertising Planbook

CONSUMER PRICE TRENDS

The Bureau of Labor Statistics issues monthly consumer price indexes covering a full range of goods and services purchased by consumers. In comparing July 1989 data with that of July 1988, price increases were reported for both jewelry and watches, the only accessories categories covered in the report.

Consumer Price Indexes on Jewelry & Watches For all Urban Consumers
(Base Period 1986=100)

	Unadjusted Indexes		% Change July	Annual Average	Annual Average % Change
	July 1989	Dec. 1988	1989/88	1988	1988/87
Watches & jewelry	121.8	117.6	6.5%	114.3	7.6%
Watches	108.2	107.9	1.7	106.1	3.6
Jewelry	125.7	120.3	7.7	116.6	8.7

Source: U.S. Bureau of Labor Statistics

CONSUMER BUYING HABITS

According to MRCA Soft Goods Information Services Reports, sales of women's accessories rose 2% in units and 8% in dollars during the first five months of 1989, compared to the same period last year. Such growth in dollar sales was attributed to a willingness by women to spend more on accessories, as they become more of an integral part of a women's wardrobe shopping.

Approximately 38% of the women who go shopping to buy sportswear also shop with the intention of buying accessories. MRCA reports that in 1988, accessories accounted for a 7% share of dollars women spent on their wardrobes, up from 6% in 1980. On average, a 9% share of wardrobe dollars were spent on accessories by men in 1988, up from 7% in 1980.

The 1988 Spring/Summer Apparel Study, conducted in July 1988 by Seventeen magazine was based on a survey taken by the magazine's consumer panel of 3,000 girls aged 13 to 21, representing a cross-section of teens nationwide. The information obtained was then projected to the entire female teenage market (15,477,000) with estimates on the total amount spent on accessories, the number purchased, and the number purchasing them.

Results of the survey revealed that teen girls spent $21.9 billion for their Spring/Summer wardrobes, of which accessories accounted for a total of $4.2 billion. This total increased 133% over the $1.8 billion spent in Spring/Summer 1985.

The 1988 Back-To-School Fall Buying Survey, also conducted by Seventeen, reported dollar expenditures of accessories by teen girls for their fall wardrobes as $2.7 billion, rising 186% higher than the $927.2 million spent in the same 1985 period.

Purchases of Specified Accessories By Teenage Girls: 1987

	Number Purchasing (000)	Number Purchased (000)	Total Expenditures (000)
Accessories	14,245	--	$4,182,457
Jewelry			
Earrings	12,577	46,529	568,751
Bracelet	7,050	15,166	363,184
Ring	8,272	15,619	958,994
Necklace	6,610	13,661	531,267
Pin	2,225	5,911	50,123
Watches	6,937	8,250	377,978
Belts	7,506	23,183	241,415
Handbags	12,163	28,086	526,517
Scarves	4,206	8,647	125,117
Sunglasses	9,113	13,435	198,606
Luggage	768	1,608	91,865
Umbrella	1,570	2,303	23,540
Headwrap/headband	2,265	4,194	31,899
Wallets/billfolds/key cases	4,220	5,219	87,814
Other	19	19	387

Source: Seventeen magazine:
1988 Spring/Summer Apparel Study

CONSUMER BUYING HABITS

In comparing the results of Seventeen's Spring/Summer Apparel Survey of 1988 to that of 1986, a slight shift in place of purchase for accessories is noted. In 1988, a larger percentage of girls made accessory purchases in discount/variety, shoe stores, and via mail order houses, while fewer girls did so in department stores, and boutique/specialty stores.

Usual Place of Purchase of Accessories: 1986, 1988
(Base: All Girls)

	1988	1986
Boutique/specialty store	52.0%	61.1%
Department store	64.4	72.3
Discount/variety store	40.1	29.5
Drugstore	13.0	15.3
Jewelry store	62.9	nr
Mail order house	9.8	6.9
Shoe store	7.0	5.5
Supermarket	3.4	4.9
Variety store	nr	32.3

nr not reported

Note: Total adds to more than 100.0% due to multiple mentions.

Source: Seventeen magazine:
1988, 1986 Spring/Summer Apparel Study

Percent of Men & Women in the U.S. Who Purchased Specified Accessories In the Past 12 Months

	Men	Women
Handbags	nr	37.3%
Gloves	10.3%	9.7
Sunglasses	19.3	nr
Wallets	11.5	nr

nr not reported

Source: Mediamark Research Inc., 1988,
Newspaper Advertising Bureau, Inc.:
1990 Newspaper Advertising Planbook

SCHEDULE OF ADDITIONAL FACT FILES

The Children's Market: Infants', Toddlers', Girls' and Boys' (Apparel, Juvenile Products, Toys/Dolls): Covers demographic trends affecting this market, including births, population projections by age, and characteristics of households with children. Includes detailed information on the U.S. children's wear industry, including production and shipments, foreign trade and price trends. Also covered are market trends for juvenile products (cribs, strollers, etc.) and for toys, games and dolls.

Consumer Market Developments (1989 Edition): An overview of all facets of the consumer market. Within the framework of population and income groups, the markets for children's products, for young adults and for the mature are defined in terms of numbers and buying power. Trends and projections are inclued as well as an analysis of developments that are shaping the U.S. consumer market--living arrangements, households, working women, marriage and birth rates, etc. Trends in personal consumption expenditures are also covered.

Department Store Sales (1989 Edition): Outlines ownership change/ reorganizations in the past year affecting major department and specialty stores. Buying headquarter locations of stores are listed with information on sales and number of outlets included in this total. Notes are included on plans to open and/or close stores. Sales and outlet information is separately listed for corporate headquarter and for national chains.

Dresses (Women's, Misses' & Juniors'): At the manufacturer level, provides a statistical profile of the dress industry and the products made within this industry, including dresses, washable service apparel, ensembles, etc. Includes number and size of manufacturers, production, and value of shipments, industry location and trends in employment levels. Analyzed is the governing impact of imports on total U.S. market supply. Reatil sales by major type of retail outlet are covered, as well as growth in the size of the consumer market, based on population counts, working women by type of occupation, and more.

Fashion Accessories (Men's and Women's): Covers developments in the U.S. industry, in imports and in retail sales for fashion accessories, including small leather goods, handbags, millinery, scarves, gloves, belts, jewelry, sunglasses, watches, etc., to the extent that statistical information is available. Included are production and shipments by U.S. manufacturers plus the quantity and value of imports in recent periods. Retail sales and operating results in department and specialty stores are reported, as well as summaries of available studies on consumer buying preferences.

Footwear (Men's, Women's, Boys', Girls') (A 1989 Edition): A statistical summary of the U.S. footwear industry and U.S. market. Covers domestic production and shipments, and details trends in imports and their share of the dnd trends in the market aromestic market, with information on major types of footwear. Includes information on sales trends and operating/merchandising results for shoe departments.

Home Textiles & Related Products: Includes the latest statistics on the U.S. industry, including manufacturers of a wide variety of products--bed linens, towels, blankets, comforters, slip covers, pillows, curtains/draperies and hardware, shades and blinds. Covers the changing competitive nature of the industry through acquisitions of major producers and through consolidation of buying power at the retail level. Includes information on production, shipments and retail sales.

Hosiery/Legwear/Bodywear (Men's, Women's, Boys' Girls'): A comprehensive report on mills making hosiery and related products, including production and shipments, fiber consumption, producer price trends. The growing trend in imports is also covered. At the consumer level, the size of the potential market is measured in terms of population counts and projections and estimates are included on retail sales of major products by type of retail outlet.

Household Appliances, Electric Housewares: Covers a broad range of products included in these two classifications at the manufacturer and at the retail level. Provides a statistical profile of the U.S. industry in terms of number of manufacturers, production, shipments, exports. Imports are detailed, as well as information on export markets. Covers retail sales and merchandising results and information on appliance/radio/TV stores.

Household Furniture and Bedding: Provides an overall view of market trends in the U.S. For the U.S. industry, the report covers statistics on manufacturers, on production and shipments in terms of quantity and value by type of furniture. Trends in the concentration levels in the U.S. industry are reported, as well as in employment and earnings in the industry. Also included is information on the industry in leading states. Consumer market information includes data on characteristics of new housing units (number of rooms); also trends in consumer expenditures for furniture, sales by type of outlet. Details on furniture stores, including the 25 leaders, are also covered.

Men's Clothing and Furnishings: Provides a summary of major market trends in the men's furnishings/work/career apparel area and the tailored clothing areas, as well as in the rainwear area. Covers production and shipment information, employment trends, manufacturer concentration levels, location of the industries. Also examines import/export material. There's a look at the consumer market, plus in-depth details covering the retail level including sales and operating results for men's furnishings/work,/career apparel/and tailored wear in both department and men's wear stores.

Men's Sportswear, Casual Wear, Outerwear: The wide variety of men's wear items included are covered from available statistical information on the industry at the manufacturer, retailer and consumer levels. Included is information on production and shipments by domestic producers, imports and exports. The retail market is covered in sales estimates and data on major outlet types, as well as studies of consumer buying practices.

The Sports/Fitness/Leisure Markets: Covers details on U.S. manufacturers in the sporting goods/athletic goods industry, concentrating on products sold through retail outlets such as sporting goods stores and general merchandise stores, as well as functional athletic footwear and apparel. Includes quantity and value of shipments of specified products, concentration of shipments among leading manufacturers, and trends in producer prices. Imports of specified sporting and athletic goods are covered. At the consumer level, data includes statistics and sports participation levels and purchases of specific sports equipment. Also buying habits in relation to activewear and sports equipment.

Sportswear, Casual Wear, Separates (Women's, Misses' and Juniors'): A statistical view of this segment of the women's wear industry is provided, including data on production and value of shipments, imports of major categories, sales by type of outlet, seasonal patterns, and consumer buying habits.

The Textile/Apparel Industries: Provides an overview of the U.S. textile and apparel industries, their current problems and programs to improve their competitive position in the U.S. market and abroad. Covers a statistical profile of each industry in terms of number of manufacturers, concentration levels, production and shipments, including exports. Trends in imports in terms of quantity and value are detailed, as well as quota developments. Also included is information on plant and equipment expenditures and on mill machinery in place in U.S. mills.

Toiletries, Cosmetics, Fragrances and Beauty Aids: A detailed view of the U.S. industry, leading manufacturers, sales of products for both men and women, trends in industry employment and earnings, advertising expenditures and foreign trade. Consumer expenditures by product are detailed as well as retail sales by outlet type, and consumer buying patterns and usage in regard to specified products.

Women's Inner Fashions: Nightwear, Daywear and Loungewear: An analysis of statistical information available on the industry and market, from manufacturer through to consumer. Includes the latest available data on U.S. production, shipments and exports; and details on imports. Retail sales and operating results in department and specialty stores are covered, as well as trends in producer and consumer prices. Developments in the size of the consumer market and trends in the market aromestic market, with information on major types of footwear. Includes information on sales trends and operating/merchandising results for shoe departments.

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Department Stores and Apparel Specialty Store Sales

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* * * *

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Distributed through
Book Division
Fairchild Publications
Division of Capital Cities Media, Inc.
New York

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Section I:	Covers a listing of major corporations operating general merchandise and/or apparel specialty stores, including traditional and discount operations. Included are names of retail divisions in cases where multi-operations are involved, with information on ownership changes and restructuring, updating the 1988 edition of this Fact File. Information includes number of retail stores operated by each division or company and sales. Corporate sales results for 1988 compared with 1987 are also listed in a summary table by store type.
Section II:	Divisions or stores are listed by region, state and city, based on buying headquarter locations. The list is primarily traditional department and apparel specialty store operations, and shows corporate ownership where applicable, number of stores and sales (either reported or estimates believed to be fairly reliable). Information on plans to open or close stores is shown, as well as changes in ownership during the year, is also covered.

Note: Sales figures reflect the latest available period, generally the 1988/89 fiscal year where figures are published, or estimates for the year 1988 based on trade estimates. Because of the many changes underway in the composition of retail corporations, as well as possible revisions in earlier sales estimates, year to year comparisons with information in previous Fact Files should be made with caution.

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E. B. Gold, Manager
Fairchild Book Division

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Standard Book Number: 87005-692-1

Printed in the United States of America

Section I

I. MAJOR APPAREL/GENERAL MERCHANDISE RETAILER CORPORATIONS (CONGLOMERATES, NATIONAL CHAINS)

This section covers listings of corporations involved in general merchandise and, particularly, apparel retailing. Their stores may be operated under one or more divisions or subsidiaries and may operate under different names. Stores operated by large corporations may include both department stores and specialty stores, as well as other classification (shoe stores, supermarkets, etc.). They may include both traditional and discount or off-price operations. Some corporations are also engaged in non-retail activities which would be included in total sales volume reported for corporations.

The sales figures are the latest available, covering fiscal periods reported by mid-1989 or estimates for the year 1988, or as otherwise noted.

The sweeping changes which have occurred in the past two years in retailing, involving divestitures, restructuring and store closings have been covered in the 1987 and 1988 editions of this Fact File, and this edition picks up the trail on developments in this aspect of retailing in 1989. Pending changes are also noted, as well as expected sales for the year where available.

Company & Retail Operations	Latest Available Annual Sales (Mil.$)
Ames Department Stores, Rocky Hill, NC G.C. Murphy Co. (130 variety stores) and Bargain World (25) with combined sales of $175 million, were sold to a Riklis Family Corp. subsidiary, E-II Holdings Inc. This subsidiary also operates McCrory stores (1,300 stores with sales over $1.5 billion) and Bargain Time Inc. stores. The company said the newly acquired stores would retain the Murphy and Bargain World names. Ames will continue to operate 108 former Murphy Marts. In October 1988 Ames acquired the Zayre Stores Division--393 stores of which 255 were converted to Ames stores at end of October 1989; 77 were closed, 61 remained Zayre stores. The new Ames had 693 full-line Ames and Zayre discount department stores, 17 Crafts & More Stores, 5 Office Shop Warehouses. Revenues for 1990 are projected to $5 million.	$ 2,027.2
C.R. Anthony, Oklahoma City, OK (C.R. Anthony Holding Co./Citicorp Venture Capital Ltd.) (246 general merchandise stores)	400.+
BATUS, Inc., Louisville, KY (a wholly-owned subsidiary of B.A.T. Industries PLC, London, England operating in tobacco, retailing and paper) U.S. sales: In September 1989, to fend off a takeover bid, B.A.T. announced that the company would be restructured to concentrate on tobacco and financial services. Included in the plans are the sale of the following U.S. retail subsidiaries:	6,250.3

(continued)

Section I

I. MAJOR APPAREL/GENERAL MERCHANDISE RETAILER CORPORATIONS
(CONGLOMERATES, NATIONAL CHAINS)
(continued)

Company & Retail Operations	Latest Available Annual Sales (Mil.$)
BATUS, Inc., (continued)	
(1988 sales including department specialty and furniture stores):	$ 2,833
Ivey's, Charlotte, NC (23)	297
Saks Fifth Avenue, New York, NY (46)	1,160
Marshall Field, Chicago, IL (24)	1,020
Thimbles, New York, NY (56 women's specialty stores sold January, 1989 to H.C. Prange Co., Sheboygan, WI, which changed the name to "id" stores.)	166
Breuners, San Ramon, CA (furniture stores and furniture rental outlets)	190
Belk Stores Services Inc. (375 Belk and Leggett dept. stores in Southern states)	2,340
Benetton USA, Inc., New York, NY (650 affiliated but independently operated and owned women's specialty stores)	800
P.A. Bergner, Milwaukee, WI (owned by a Swiss investors group) acquired Carson Pirie Scott Co., Chicago, in 1989. The combined sales volume of Bergner and CPS will exceed $1 billion. (See Milwaukee, WI listing, Section II)	--
Blair Corp., Warren, PA (mail order company plus one store)	418.3
Bradlees, Braintree, MA (131 discount department stores)	2,107
Burlington Coat Factory, Burlington, NJ (134 off-price women's specialty stores in 37 states) Plans future acquisitions including announced purchase of Cohoes Specialty Stores, Cohoes, NY, and bid for 5 Dry Goods Co. stores, Aston, PA	585.4
Campeau Corp., Toronto, Ont., Canada (Total revenue including department stores, specialty stores, supermarkets, rental and real estate) To meet financial obligations, in Sept. 1989 Campeau relinquished sole control of its operations in return for a loan from Olympia & York Developments, Canada. The company is now undergoing financial restructuring, and will sell Bloomingdale's and possibly other chains.	8,668

(continued)

Section I

I. MAJOR APPAREL/GENERAL MERCHANDISE RETAILER CORPORATIONS
(CONGLOMERATES, NATIONAL CHAINS)
(continued)

Campeau Corp., (continued)

Department store chains are operated through two subsidiaries for which sales of $7 billion in 1989 were targeted: Federated, $4.9 billion, Allied: $2.7 billion.

Company & Retail Operations	Latest Available Annual Sales (Mil.$)
Allied Stores Corp., Cincinnati, OH (130 department stores)	$ 2,644.1
Jordan Marsh New England, Boston, MA (26)	725.7
Stern's Paramus, NJ (27)	704
Maas Inc. (including Jordan Marsh Florida), Tampa, FL (38)	627.7
The Bon Marche, Seattle, WA (39)	586.7

In February 1989 Allied's women's specialty chain Ann Taylor, New York, with 120 stores in 25 States and 1988 sales at $274.3 million, was sold to an investment group which included Merrill Lynch Capital Partners Inc. and members of Ann Taylor management. 17 stores were to be opened in 1989.

Brooks Brothers, New York, 50 specialty stores in the U.S. plus clothing stores operated in a joint venture in Japan, with 1988 sales estimated at $275 million, was sold in 1988 to Marks & Spencer, London, England

Federated Department Stores, Cincinnati, OH (acquired by Campeau in 1988). Operated 5 department store divisions as of 1989. Sales not including specialty stores:	4,541.7
Abraham & Straus, Brooklyn, NY (14)	742.9
Bloomingdale's, New York, NY (17) (Put up for sale in 1989)	1,188.9
Burdine's, Miami, FL (30)	835.4
Lazarus Department Stores, Cincinnati, OH (43)	946
Rich's, Atlanta, GA (32 department stores including Goldsmith's, Memphis, TN)	850.5

Federated Division stores sold in 1988 included the following:
Bullock's, Bullock's Wilshire, I Magnin -- sold to R.H. Macy.
Filene's, Foley's -- sold to May Department Stores.
MainStreet -- sold to Kohl's Department Stores.
Gold Circle Discount Stores -- sold to Kimco Development Corp. which in turn sold 31 stores to Target Stores (Dayton Hudson).

As noted, Bloomingdale's was put up for sale in 1989. Sales completed in 1989 including the following:
The Children's Place/Children's Outlet, Pinebrook, NJ (157 children's wear stores plus its division--The Accessory Place (28) -- sold Feb. 1989 to D.C. Acquisitions, an investor group owned by The Gitano Group. The Accessory Place Stores were then sold to Plymouth Lamston Stores (Tribeca Corp.)

Section I

I. MAJOR APPAREL/GENERAL MERCHANDISE RETAILER CORPORATIONS (CONGLOMERATES, NATIONAL CHAINS)

(continued)

Company & Retail Operations	Latest Available Annual Sales (Mil.$)
Carson Pirie Scott, Chicago, IL. Total sales, all operations	$ 1,022.9
Carson Pirie Scott Department Stores (33 stores in IA, IL, IN, MN including former Donaldson's stores in Minneapolis)	550
County Seat Stores (391 casual wear stores in 37 states and 23 Arcadia Shops which sell novelty stationery, etc.)	330
Other operations included 3 women's apparel stores and a home outlet store in the Chicago area; and CPS Direct Marketing, Phoenix, AZ.	
In May 1989 P.A. Bergner, Milwaukee, which is owned by a Swiss investors group, reached an agreement to buy Carson Pirie Scott. See Section II, Milwaukee, WI, P.A. Bergner listing.	
Carter Hawley Hale, Los Angeles, CA (112 department stores) Fiscal year ending July 1989:	2,787.4
5 department store divisions with estimated 1988 sales at $2,705 mil.	
The Broadway Southern California, Los Angeles, CA (43)	1,125
Broadway Southwest, Mesa, AR (11)	220
Emporium Capwell, San Francisco, CA (22)	755
Thalhimers, Richmond, VA (25)	385
Weinstock's, Sacramento, CA (22)	245
Cato, Charlotte, NC (588 apparel specialty stores)	233
Charming Shoppes, Bensalem, PA (926 specialty stores operated as Fashion Bug and Fashion Bug Plus stores in 33 states)	725.2
130 stores were to be added in 1989.	
Claire's Stores Inc., Miami, FL (642 women's specialty stores in 47 states operated under the name Clair's Boutique and Dara Michelle)	127.3
The Clothestime, Inc., Anaheim, CA (335 off-price women's wear stores in 15 states, primarily in CA)	171.5
Conston Corp. (Conston Holding Co.), Philadelphia, PA (349 women's and children's wear stores operated under various names: Charles/Famous Maid; Kristy's Kids; 16 Plus)	192.6
CWT Specialty Stores Inc., South Attelboro, MA (60 stores in CT, MA, NH, RI, VT)	123
Crown American Corp., Johnstown, PA	
Hess's Department Stores, Inc. Allentown, PA (73 stores)	613.8
Projected 1989 sales: $660 million. By end of 1990, Hess reports the chain will have 82 units in 13 states.	

Section I

I. MAJOR APPAREL/GENERAL MERCHANDISE RETAILER CORPORATIONS
(CONGLOMERATES, NATIONAL CHAINS)
(continued)

Company & Retail Operations	Latest Available Annual Sales (Mil.$)
Dayton Hudson Corp., Minneapolis, MN (618 department, discount and specialty stores)	$12,204
Dayton Hudson Department Stores Co. (37 stores)	1,695
Target Stores, Minneapolis, MN (341 discount stores incl. Gold Circle/Richway formerly owned by Federated. Expect to have 400+ stores by end of 1989.)	6,331
Mervyn's, Hayward, CA (213 dept. stores) (8 stores to be opened in 1989)	3,408
Lechmere Inc., Cambridge, MA (27 stores in 9 states) Sold in Sept. 1989 to an investment group including Berkshire Partners, Boston. Lechmere sells major appliances and home office supplies.	769
Deb Shops, Philadelphia, PA (294 specialty stores in 1989)	194.1
Dillard Department Stores, Inc., Little Rock, AK (146 department stores operated by 5 divisions plus jointly-owned Higbee's, Cleveland)	2,558.4
Dillard Division estimates*:	
Arkansas Division, Little Rock, AR (27)	440
Phoenix Division, Tempe, AZ (18)	315
Fort Worth Division, Fort Worth, TX (42)	760
San Antonio Division, San Antonio, TX (31)	525
St. Louis Division, St. Louis, MO (27)	520

* Source: National Retail Merchants Association, Stores magazine (July, 1989)

Dillard Stores Inc. and the Edward J. DeBartolo Corp. acquired Higbee's, Cleveland (12 stores with a volume of $328 million) in Feb. 1988. In 1989, D.H. Holmes Ltd., New Orleans (18 stores with 1988 volume of $276 million) merged with Dillard Department Stores. Dillard also acquired 2 Tucson, AZ Goldwater Department Stores and opened stores in St. Joseph, MO; Shawnee, OK, Lewisville, TX.

Company & Retail Operations	Latest Available Annual Sales (Mil.$)
Dollar General Corp., Scottsville, KY (1,302 stores plus a wholesale operation)	613
Dress Barn Inc., Stamford, CT (408 off-price women's specialty stores in 30 states, including Dress Barn Woman, Dress Barn Outlet, and LJ's Westport Ltd.) 73 stores were opened in fiscal year ending July 1989. Dress Barn plans to operate a total of 450 by Dec. 1989.	249.2

Section I

I. MAJOR APPAREL/GENERAL MERCHANDISE RETAILER CORPORATIONS
(CONGLOMERATES, NATIONAL CHAINS)
(continued)

Company & Retail Operations	Latest Available Annual Sales (Mil.$)
Dylex Ltd., Toronto, Ont., Canada. Has a stake in 1,984 specialty stores in the U.S. and Canada)	
Brook's Fashion Stores, New York (589 specialty stores: Albert's 6, Brooks 510, T. Edwards 58, On-Stage 15)	$ 395
Foxmoor Specialty Stores, New York (599 stores, 87% owned by Dylex)	260
220 stores are to be sold to Edison Brothers Stores, Inc., St. Louis, MO, in Jan. 1990. Guess may buy 370 stores.	
Edison Brothers Stores, Inc., St. Louis, MO (Specialty stores, shoe stores and leased shoe departments)	918.6
Apparel specialty store division (1,358 stores)	459
Includes 260 J. Riggings men's wear chain stores, 450 Jeans West, 281 5-7-9 shops and others.	
In October 1989, Edison agreed to buy 229 Foxmor junior apparel stores from Dylex, Ltd., Toronto.	
Elder-Beerman Stores Corp., Dayton, OH (33 department stores, 67 Margo's and 5 Regan's specialty stores, Dallas, TX, plus 127 El Bee shoe stores and 2 furniture showrooms.)	500
Margo's, Regan's (stores in AR, NM, OK, TX)	450
Family Dollar Stores Inc., Charlotte, NC (1,350 discount variety stores)	669.5
Fedco, Santa Fe Springs, CA (12 discount department stores)	685
The Gap Inc., San Bruno, CA (900 stores including 9 Gap Stores in the United Kingdom, 1 in West Germany: The Gap (709), Banana Republic (108), Gap Kids (74), Hemisphere (9) which is to be closed at end of 1989, and Gap International).	1,252.1
Gantos, Grand Rapids, MI (123 specialty stores)	170.2
Hartmarx Corp., Chicago, IL (retailing and manufacturing)	1,170
Hartmarx Specialty Stores Inc.	627.6
Operates the following stores: 20 Baskin Clothing Co., 7 Field Bros., 6 Liemandt's, 34 Wallach's; 4 Barrie Place, Ltd., 90 Country Miss Inc., 3 Henry Grethel Studio stores; 15 Sansabelt Stores: 3 deJongs.	
Hartmarx acquired 12 Raleighs from Garfinckel's, Washington DC in January 1989. It has been reported that Hartmarx will open 15 stores in 1989, including Baskin and Wallack's stores, and that Country Miss would be sold.	
Hills Department Stores, Canton, MA (SCOA) (167 discount department stores. 42 were to be opened in 1989 including 33 former Gold Circle stores)	1,671

Section I

I. MAJOR APPAREL/GENERAL MERCHANDISE RETAILER CORPORATIONS
(CONGLOMERATES, NATIONAL CHAINS)
(continued)

Company & Retail Operations	Latest Available Annual Sales (Mil.$)
L.J. Hooker Corp. Ltd., New South Wales, Australia	
Hooker announced plans in mid 1989, to reduce debt, including the sale of some stores or shares, as well as shopping centers.	
U.S. retail operations included the following:	
B. Altman & Co., New York, NY (7 department stores) Est. 1989: (1989 volume estimated at $250 million)	$ 229
Bonwit Teller (16 specialty stores)	175
Both Altman's and Bonwit Teller filed Chapter 11 proceedings in August 1989. Lacking a satisfactory offer for Altman's, liquidation of all but the Cincinnati, OH store was underway by end of Nov. 1989.	
Other U.S. retailing interests:	
Sakowitz, Houston, TX (4 stores)	30
Hooker has an 80% interest. In February 1989 Hooker terminated negotiations to acquire 4 Frost Bros., San Antonio, TX stores which were to be merged with Sakowitz.	
Parisian, Birmingham, AL (17)	263
Hooker sold its 65% interest in Parisian in September 1989 to a management group. Merksamer Jewelers Inc., a 77 unit chain with sales of $62 million, formerly owned by Parisian will be sold by the bankruptcy court.	
Jamesway Corp., Secaucus, NJ (121 discount department stores)	782.5
Jusco Ltd., Japan	
Talbots, Hingham, MA (136 stores plus catalog sales. Acquired in June 1988 from General Mills)	392
Talbots expects to reach a volume of $450 million by end of 1989, including $150 million in catalog sales and with 156 stores in 31 states; along with a volume of $1 billion by 1994 with 20 to 25 store openings a year. Talbot will open its first children's store in July 1990 in New England; also a unit in Japan in Feb. 1990.	
The largest Talbots was opened Nov. 1989 on Madison Ave, NYC. It is expected to reach $5 million to $6 million in first year sales. With 156 stores in 3 states, Talbots expects to do a volume of $450 million in 1989, including $150 million in catolog sales, and to reach $1 billion in sales by 1994.	
Kmart Corp., Troy, NY (4,082 stores: apparel specialty stores, leased departments, book stores, drug stores in the U.S.; discount stores in Canada)	27,301.4
Kmart stores (2,145 discount stores) Kmart plans to add 355 stores.	22,940

Section I

I. MAJOR APPAREL/GENERAL MERCHANDISE RETAILER CORPORATIONS (CONGLOMERATES, NATIONAL CHAINS) (continued)

Company & Retail Operations	Latest Available Annual Sales (Mil.$)
The Limited, Inc., Columbus, OH (3,388 stores plus catalog sales which were reported at $315 million)	$ 4,070.8
1989 total sales are $4,590 million including the following:	
The Limited, Columbus, OH (754 women's specialty stores)	1,293
Abercrombie & Fitch, Columbus, OH (purchased from Oshman's in Jan. 1988) (27 stores plus mail order business and Mast Industries, an apparel manufacturing operation.	50
Henri Bendel, New York, NY (1 women's specialty store)	30
Lane Bryant, New York, NY (703 stores)	707
Lerner Shops, New York, NY (807 stores)	966
Lerner Women (398-unit off-price chain sold in April 1989)	45
Express, Columbus, OH (348-unit women's sportswear/accessories chain)	743
Victoria's Secret, Columbus, OH (350 stores plus catalog)	499
R.H. Macy & Co., New York, NY (149 department stores, 61 specialty stores, and 3 Bullock's Woman stores plus 12 furniture and clearance centers). Sales in fiscal year ending July 29, 1989:	6,974.1
Three divisions established in April 1988. Estimated 1988 sales:	
Macy's Northeast, New York, NY (46)	3,315
Macy's South, Atlanta, GA (25)	785
Macy's California, San Francisco, CA (28)	1,465
Bullock's, Los Angeles (22 stores acquired from Federated in 1988 and operated now by Macy's California)	755
I. Magnin, San Francisco (23 specialty stores) Acquired from Federated in 1988. 7 Bullock's Wilshire stores were also acquired and will be renamed I Magnin's in Feb. 1990 with the exception of the Los Angeles store which will be called I. Magnin/Wilshire.	320
In 1988 Macy's opened stores in Tysons II; McLean, VA; New Orleans, LA; North Palm Beach, FL; and Plantation, FL. 1989 openings include stores in Crystal City and Springfield, VA; Fashion Centre, Arlington, VA; and a furniture store in Concord, CA.	
Marshall's, Wakefield, MA (309 discount specialty stores)	1,753

Section I

I. MAJOR APPAREL/GENERAL MERCHANDISE RETAILER CORPORATIONS
(CONGLOMERATES, NATIONAL CHAINS)
(continued)

Company & Retail Operations	Latest Available Annual Sales (Mil.$)
May Department Stores Co., St. Louis, MO	$ 11,525
Department stores (net number after acquisitions and divestitures in 1988: 297 stores)	7,537
Estimates for individual department stores:	
L.S. Ayres, Indianapolis, IN (14)	315
Famous Barr, St. Louis, MO (17)	502
Filene's, Boston, MA (18) (Acquired in May 1988 from Federated. Full year sales: $440 mil.)	357
Foley's, Houston, TX (34) Acquired in May 1988 from Federated. Full years sales $1.0 bil.)	804
G. Fox, Hartford, CT (10)	369
Goldwater's, Scottsdale, AZ (9). (Sold in 1989. See Section II.)	160
Hahne's, Paramus, NJ (9) (Closed and stores converted to Lord & Taylor's (6), sold (2), closed (1) See Section II.)	150
Hecht's, Washington, DC (22)*	759
Kaufmann's, Pittsburgh, PA (14)	516
Lord & Taylor, New York, NY (47)	963
May California, North Hollywood, CA (34)	900
May Co. Ohio, Cleveland, OH (17 including 7 former O'Neil's, Akron, OH stores)	424
May D&F, Denver, CO (13)	267
Meier & Frank, Portland, OR (8)	254
Robinson's, Los Angeles, CA (29)	720
Sibley's, Rochester, NY (10)	182
In 1988, May Co., Jacksonville, FL (5 stores) was sold by May to Maison Blanche, Baton Rouge, LA.	351
In Nov. 1989, May announced it would buy 4 Miller Rhoades (Richmond) stores and convert them to Hecht's stores.	
Other retail operations:	351
Loehmann's, Bronx, NY (73 off-price women's wear stores) Sold in August 1988 to Sefinco Ltd., a Spanish group, plus the Sprout Group.	
Volume Shoe Corp. (2,602 stores)	1,132
Discount Stores Division:	
Caldor's, Norwalk, CT (118 stores in 8 Northeastern States). In October 1989 May announced that Caldor would be sold to an investor group that includes management, but will keep a 20% equity in the new company. 1989 sales estimated at $1,684 mil.) In 1990, 10 stores are scheduled to be remodeled and 5 will open.	1,574
Venture Stores, O'Fallon, MO (75-unit chain which May will spin-off to shareholders in early 1990)	1,282

Section I

I. MAJOR APPAREL/GENERAL MERCHANDISE RETAILER CORPORATIONS
(CONGLOMERATES, NATIONAL CHAINS)
(continued)

Company & Retail Operations	Latest Available Annual Sales (Mil.$)
Meijer, Grand Rapids, MI (52 discount department stores)	$ 3,000
Melville Corp., Harrison, NY	6,780.4
Apparel specialty stores:	2,222.2
Marshall's Inc., Wakefield, MA (309 discount family clothing stores)	1,753
Chess King, New York, NY (564 men's wear stores)	237.9
Wilson's House of Suede/Tannery West/Berman's, Los Angeles, CA (489)	231.3
Mercantile Stores Company, Inc., Wilmington, DE (80 department stores)	2,265.5
Estimated 1988 sales:	
Bacons/Root, Louisville, KY (7)	170
Castner Knott Co., Nashville, TN (11)	275
Gayfers-Mobile, Mobile, AL (12)	390
Gayfers-Montgomery, Montgomery, AL (6)	190
The Jones Store Co., Kansas City, KS (9)	260
Joslins, Denver, CO (11)	235
Lion, Toledo, OH (3)	120
McAlpin, Cincinnati, OH (9)	375
J.B. White, Augusta, GA (7)	160
Hennessey's, Billings, MT (3), and it also operated deLendrecie's, Fargo, ND (1) and Glass Block, Duluth, MN (1)	90
Merry-Go-Round Enterprises, Inc., Towson, MD (620 specialty stores in 37 states and the District of Columbia, operating under different names, including 279 Merry-Go-Round and 44 Cignal Stores Acquired three young men's wear chains in April 1989, totaling 324 stores: Silverman's, Gus's Place, and His Place, from Royal Ventures.	400
Montgomery Ward & Co., Chicago, IL (Sold by Mobil Corp. in 1988 to a management group). (326 stores in 39 states) Stores are operated in 6 specialty store formats with hardlines accounting for 70% of sales; apparel and other merchandise, 30%. Operations include: Electric Avenue, Home Ideas, The Apparel Store, Gold N' Gems, Auto Express.	4,784

In October 1988, Montgomery Ward opened its first free-standing Kids Store, with 5 units in Chicago. By the end of 1990, M/W will add 38 new stores, including 20 full line stores and 18 free-standing specialty outlets. The full-line stores will contain all the specialty outlets under one roof.

I. MAJOR APPAREL/GENERAL MERCHANDISE RETAILER CORPORATIONS (CONGLOMERATES, NATIONAL CHAINS) (continued)

Company & Retail Operations	Latest Available Annual Sales (Mil.$)
Neiman Marcus Group, Inc., Chestnut Hill, MA (General Cinema has about a 60% ownership of the company). Sales fiscal year ending July 1989:	$ 1,467.5
The Group includes:	
Bergdorf Goodman, New York (1 store)	171.0
Contempo Casuals, Los Angeles, CA (228) (20 stores to be opened in 1989)	184.6
Neiman Marcus, Dallas, TX (22 stores plus catalog sales)	1,112.0

In the Fall of 1988, the Neiman Marcus Group completed the acquisition of Horchow Mail Order Inc., Dallas, TX, which has a volume of over $101.3 million in sales from four different catalogs.

Company & Retail Operations	Latest Available Annual Sales (Mil.$)
S.E. Nichols Inc., New York, NY (42 discount stores) Plans to close 11 stores.	326.4
Nordstrom Inc., Seattle, WA (operates specialty stores, clearance centers, leased shoe departments)	2,327.9

Sales in 1989 are expected to reach $2.7-$2.8 billion. In March 1988, the first East Coast store at Tysons Corner, VA, was opened and is expected to reach $100 million in sales in its first year.

The largest Nordstrom unit was opened in San Francisco in October 1988, and may reach $125 million in its first-year sales. In October 1989, Nordstrom opened a store in the Fashion Centre, Pentagon City, VA and a store in Sacramento, CA which may reach a volume of $70 million in its first year. The Fairbanks, AK store is to be closed in January 1990 according to present plans.

Company & Retail Operations	Latest Available Annual Sales (Mil.$)
Pamida, Omaha, NE (165 discount department stores)	568
Paul Harris Stores Inc., Indianapolis, IN (389 specialty stores including Paul Harris Stores, Close Out Junction and Pasta stores)	194.9
J.C. Penney Co., Inc., Plano, TX (Total including catalog centers, drug stores, Belgian stores)	15,296
J.C. Penney stores (1,355)	14,833

It is reported that Penney will launch a chain of women's specialty stores called Mixit in the Fall of 1989.

I. MAJOR APPAREL/GENERAL MERCHANDISE RETAILER CORPORATIONS (CONGLOMERATES, NATIONAL CHAINS) (continued)

Company & Retail Operations	Latest Available Annual Sales (Mil.$)
Petrie Stores Corp., Secaucus, NJ (1,584 apparel specialty stores operating under various names: Petrie's, Marianne, Stuart's, G&G, Hartfield's, Winkelman's Jean Nicole, Three Sisters, M.J. Carrol, Rave).	$ 1,218.3
Rapid American Corp., New York, NY (owned by Riklis Family Corp.)	
McCrory Stores (1,240 stores under different trade names: McCrory, Newberry, H.L. Green, S.H. Kress, T.G. & Y., and McLellan).	1,391
In August 1989 acquired 131 G.C. Murphy stores and 25 Bargain World stores from Ames Department Stores. By the end of 1989, McCrory projected sales of $2 billion for 1,460 variety stores.	
Rose's Stores, Henderson, NC (250 discount specialty stores)	1,439.3
Ross Stores, Newark, CA (147 off-price specialty stores)	634.2
Sears, Roebuck & Co., Chicago, IL	50,251
Sears Merchandise Group (824 general merchandise stores plus catalog sales and specialty stores sales)	30,256
Sears classified 824 of the stores as full-line, 367 as medium-sized, 60 as small hard line stores. 53 U.S. stores were to be opened in 1989. Specialty operations include Pinstripe Petites, the new Sears Ltd. women's specialty chain, as well as the new McKids stores operating in an arrangement with McDonalds.	
Sears operated 7 McKids stores in 1988 and planned to open 28 more by the end of 1989.	
ShopKo Stores, Green Bay, WI (87 discount department stores)	1,280
Specialty Retailers, Houston, TX (a holding company owned by Blair Capital, Boston for 3 Beall Bros. 3, Jacksonville, TX.) (147 stores) and Palais Royal (25 jr. department stores in TX)	450
Spiegel, Inc. Oakbrook, IL (A controlling interest is held by Otto-Versands Gmblt., a German mail order house). Catalog sales and 3-free standing For You stores in the Chicago area are estimated at $1.65-$1.7 billion in 1989. 1988:	1,232.1
Operated autonomously are two retail store-mail order chains acquired in May 1988:	
Eddie Bauer, Redmond, WA (99 stores plus catalog sales of about $100 mil.) Plans to have 115 stores by the end of 1989 and 200 additional stores in the next 3 years. 1989 sales are projected to $410 million.	301
Honeybee, New York, NY (acquired from the Einbender family and other sources) (23 stores in CT, DC, IL, MO, NJ, NY, PA, TN)	35+

I. MAJOR APPAREL/GENERAL MERCHAND~~ISE RET~~AILER CORPORATIONS (CONGLOMERATES, NATIONAL CHAINS) (continued)

Company & Retail Operations		Latest Available Annual Sales (Mil.$)
Stop & Shop Co., Inc., Boston, MA		$ 4,624.1
Bradlees' Department Store Co., Braintree, MA (130 discount stores)		2,106.7
The 58-unit Southern Division was put up for sale in June 1988. Hechinger Co., Landover, MD agreed to buy the leases of 33 stores.		
Strawbridge & Clothier, Philadelphia, PA (34 stores)		904.2
Strawbridge & Clothier, Philadelphia, PA (12 department stores)		589.2
Clover Stores, Philadelphia, PA (22 discount stores)		315
Syms, Secaucus, NJ (30 off-price specialty stores)		282.5
Talbots (see Jusco Ltd., Japan)		
Taubman Investment Co., Detroit, MI		
Woodward & Lothrop, Washington, DC (31 stores including 15 John Wanamaker stores acquired in 1988)		900
TJX Companies, Inc., Framingham, MA (Zayre Corp. See Zayre listing).		1,920.8
Stores operated and estimated 1989 sales vs. 1988:		
T.J. Maxx (324)	$ 1,800 Mil.	1,490
Hit or Miss (523)	425 "	375
Chadwick's of Boston (mail order)	80 "	60
Toys "R" Us, Inc., Rochelle Park, NJ		
Kids "R" Us, Paramus, NJ (115 off-price children's wear stores)		355
Tribeca Holdings, Inc., Saddlebrook, NJ (an acquisition firm operating Plymouth Lamston Corp., Saddlebrook, NJ).		148
Plymouth Stores (56 women's specialty stores: NY 51, DC 5)		68
1989 volume is expected to reach $75 million. Plymouth opened a store in Garden State Plaza Mall, Paramus, NJ in Abraham & Straus Plaza in 1989.		
Lamston Stores (26 NY area stores)		60
Stores are to be updated and reduced in size. Three stores were opened in 1989.		
The Accessory Place (formerly part of The Children's Place. It was sold by Campeau in 1988 to DG Acquisitions and acquired by Tribeca in February 1989. 41 stores)		20

Tribeca acquired 30 Etage accessory stores from The Brown Group, St. Louis, MO in 1989. These are to be converted to ~~the~~ Accessory Place stores.

An additional 12 stores are to be opened by Fall 1989 and the chain is expected to grow to 300-400 units in a few years.

I. MAJOR APPAREL/GENERAL MERCHANDISE RETAILER CORPORATIONS
(CONGLOMERATES, NATIONAL CHAINS)
(continued)

Company & Retail Operations	Latest Available Annual Sales (Mil.$)
U.S. Shoe Corp., Cincinnati, OH (Plans to restructure the company have been announced).	$ 2,343
Women's Specialty Store Division (1,738 stores) including: Cabaret (15), Career Image (50), Casual Corner (756), Caren Charles (194), August Max Woman (89), Petite Sophisticate (237), Ups 'N Downs (397)	1,151.4
Value City, Columbus, OH (45 discount department stores)	424
Wal-Mart Stores, Bentonville, AK (1988 total including discount stores, Sam's Wholesale Club, Hypermarket USA, Dot Discount Drug Stores and other specialty outlets)	20,649
Sales for 1989 are estimated at about $26 billion, mainly in 1,326 discount department stores and 110 Sam's Wholesale Club warehouse outlets.	
Discount stores and Super Centers (1988: 1,259 stores)	16,820
Wal-Mart will enter the California market in 1990-91 with 8 new stores.	
Weiner's Stores, Houston, TX (129 specialty stores)	275.0
The Woolworth Corp., New York, NY (formed in 1989 as a holding company)	7,739.0
U.S. Woolworth (general merchandise and apparel)	1,100
Woolco (full-line department stores)	120
MiniShops (apparel and other general merchandise)	35
Specific operations in general merchandise and apparel included:	
Richman (148 stores)	283.0
Little Folk (18) and Kids Mart (398)	160.0
Zayre Corp.	
In October 1988, Zayre Corp. sold its 392 Zayre Store Division, with sales of $3,290 million (in fiscal year ending Jan. 31, 1988) to Ames Department Stores Inc. (See Ames listing). Zayre then restructured its operations. B.J.'s Wholesale Club and Home Club units were spun off as a separate company, Waban, Inc. The remaining stores were merged with TJX, 83% of which is owned by Zayre.	

CORPORATE SALES RESULTS REPORTED FOR FISCAL 1987 & 1988
CLASSIFIED BY STORE TYPE
(Adjusted for continuing operations)
(In billions of dollars)

DEPARTMENT STORES	1988	1987	% Change 1988/87
Dayton Hudson	$12,204.0	$10,677.0	14.3%
May Department Stores	11,525.0	9,690.0	18.9
Batus Retail	6,250.5	5,834.5	7.1
Federated Department Stores	4,541.7	4,486.3	1.2
Allied Stores Corp.	2,644.1	2,600.0	1.7
Carter Hawley Hale (year ended August 1)	2,617.1	2,869.2	- 8.8
Dillard's	2,558.4	2,206.3	16.0
Mercantile Stores	2,265.5	2,155.6	5.1
Carson Pirie Scott	1,023.0	817.8	25.1
Strawbridge & Clothier	904.2	814.3	11.0
Crowley Milner	110.7	113.7	- 2.6
TOTAL	40,286.2	31,587.8	27.5
MASS MERCHANDISERS			
Sears Roebuck Merchandising Division	30,256.0	28,085.0	7.7
K mart	27,301.0	25,627.0	6.5
J.C. Penney	14,833.0	15,332.0	- 3.3
Woolworth	8,088.0	7,177.0	12.7
Montgomery Ward	4,784.0	4,639.0	3.1
TOTAL	85,262.0	80,860.0	5.4
SPECIALTY STORES			
Melville	6,780.4	5,930.3	14.3
The Limited	4,070.8	3,527.9	15.4
Nordstrom	2,327.9	1,920.2	21.2
TJX (formerly Zayre)	1,920.8	1,643.7	16.9
The Gap	1,252.1	1,062.0	17.9
Petrie Stores	1,218.3	1,241.5	- 1.9
Edison Bros.	918.6	931.0	- 1.3
Charming Shoppes	725.2	638.6	13.6
Jacobsons	356.5	326.7	9.1
Merry-Go-Round	298.9	255.2	17.1
Paul Harris Shops	194.9	190.2	2.4
Deb Shops	194.0	198.4	- 1.0
Gantos	170.2	133.0	
Evans	147.8	156.6	- 5.7
Kenwin Shops	26.2	27.7	- 5.4
TOTAL	20,602.7	18,166.2	13.4

Section I

CORPORATE SALES RESULTS REPORTED FOR FISCAL 1987 & 1988
CLASSIFIED BY STORE TYPE

(Adjusted for continuing operations
(In billions of dollars)
(continued)

DISCOUNT STORES	1988	1987	% Change 1988/87
Wal-Mart	20,649.0	15,959.2	29.4%
Ames	3,362.9	2,111.9	59.2
Rose's Stores	1,439.3	1,336.8	7.7
Jamesway	782.5	701.4	11.6
Family Dollar (year ended August 1)	669.5	560.3	19.5
OFF-PRICE STORES			
Ross Stores	634.2	576.0	10.1
Burlington Coat Factory (year ended Oct. 29)	585.4	490.6	19.3
Syms	282.5	256.8	10.0
Dress Barn	205.0	173.7	18.0
Clothestime	171.5	178.7	- 4.0
TOTAL	1,885.9	1,657.3	13.8
MISCELLANEOUS			
Interco	2,012.0	1,996.0	0.8
Rapid American	1,400.2	1,489.4	- 6.0
Dollar General	613.0	588.4	4.2
Blair Corp.	418.3	362.6	15.4
TOTAL	4,443.5	4,436.4	9.2
SUMMARY OF RESULTS BY STORE TYPE			
Department stores	40,386.2	31,587.8	27.8
Mass merchandisers	85,262.0	80,860.0	5.4
Specialty stores	20,502.7	18,166.2	12.9
Discount stores	26,903.1	20,669.7	30.2
Off-price stores	1,885.9	1,657.3	13.8
Miscellaneous	4,443.5	4,436.4	0.2
TOTAL	179,383.4	157,377.5	14.0

Source: Fairchild News Service,
August 24, 1989

Section II

This section covers major general merchandise/apparel retailing divisions or stores at the buying headquarter location for which reasonably reliable sales figures are available. With the consolidations and restructuring of major corporations, fewer reports are issued on operations of individual divisions within the corporate framework; therefore, in some cases stores cannot be listed due to a lack of information on sales. Reported sales, either issued by the company or available through trade sources, generally are for the 1988-89 fiscal period, or year 1988.

The store listings are organized by region, state, and city.

NORTHEAST	Latest Available Annual Sales (Mil.$)
CONNECTICUT	
Enfield	
Casual Corner (U.S. Shoe Corp., Cincinnati, Ohio) (756 stores)	$ 625
Hartford	
G. Fox & Co. (May Dept. Stores Co., St. Louis, MO) (10 stores: CT 7, MA 1, NY 1, RI 1)	369
Sage Allen & Co. (owned by a management group) (13 jr. dept. stores: CT 12, MA 1)	85
The Hartford flagship store was sold in a leaseback arrangement.	
Norwalk	
Caldor (May Department Stores Co., St. Louis, MO) (118 discount general merchandise stores in 8 Northeast States)	1,574
Caldor is to be sold by the end of 1989 to an investor group.	
Stamford	
Dress Barn (408 women's specialty stores in 29 states)	249.2
MASSACHUSETTS	
Boston Area	
Filene's, Boston (acquired by May Department Stores Co., St. Louis, MO from Federated in 1988). (17 stores in CT, MA, ME, NH, NY, RI)	440
Filene's plans to open 6 stores in the next five years, in Massachusetts and New Hampshire. The Kingston, MA store opened in October 1989 is expected to do $20 million in first year sales. A Cambridge, MA store will open in 1990.	
Filene's Basement Inc., Wellesley, MA (sold in 1988 by Federated Department Stores to a management group) (22 stores in CT, MA, NJ, NY PA, RI)	304.3
Jordan Marsh-New England (Allied Stores Corp., Cincinnati, OH) (26 stores)	725.7

NORTHEAST	Latest Available Annual Sales (Mil.$)
MASSACHUSETTS	
Cambridge	
Lechmere (Dayton Hudson Corp., Minneapolis, MN) (27 discount department stores in 9 states) Lechmere was sold in Sept. 1989 to an investment group which included Berkshire Partners, Boston.	$ 769.0
Framingham	
T.J. Maxx (TJX Companies, Inc., Framingham, MA) (308 specialty stores) 1989 sales are estimated at $1,800 million in 324 stores.	1,490
Hit or Miss (TJX Companies, Inc., Framingham, MA) (506 specialty stores) 1989 sales are estimated at: $425 million in 523 stores.	375
Hingham	
The Talbots (acquired in 1988 by Jusco Ltd., Japan, from General Mills, Minneapolis). (136 stores plus catalogs, with sales estimated at $78 million)	392
Talbots opened its second New York City store, on Madison Avenue which is its largest unit, in Nov. 1989. It is expected to do up to $6 million in first year sales. A San Francisco flagship store for the West Coast was opened in 1989 and first year sales are projected to $450 million. Talbots plans to have 156 stores in 31 states by end of 1989, with volume reaching $450 million, including $150 million in catalog sales.	
Wakefield	
Marshall's Inc. (Melville Corp., Harrison, NY) (309 family clothing stores)	1,753
NEW JERSEY	
Burlington	
Burlington Coat Factory (134 off-price women's wear stores in 37 states). Acquired Cohoes Co., Cohoes, NY (7 stores with 1988 volume at $54 million).	585.4
Paramus	
Hahne's (May Dept. Stores Co., St. Louis, MO) (9 dept. stores)	150
In 1990-91, six NJ Hahne's are to be converted to Lord & Taylor stores; one was sold to Nordstrom, Inc. and one to Fortunoff. The Iselin, NJ Hahne's was closed.	
Stern's (Allied Stores Corp., Cincinnati, OH) (27 stores in NJ, NY, PA)	704

Section II

	Latest Available Annual Sales (Mil.$)
NORTHEAST	
NEW JERSEY	
Pine Brook	
The Children's Place (Federated Dept. Stores, Cincinnati, OH) (111 regional mall shops and 46 outlets in strip centers called The Children's Outlet).	$ 150
Nine stores were to be opened in 1989.	
Smithtown, NY store (the largest Children's Place store)	2.6
Sold in 1989 by Campeau (Federated parent) to D.C. Acquisitions (The Gitano Group).	
Secaucus	
Syms (30 off-price spec. stores)	282.5
NEW YORK	
Buffalo	
Adam, Meldrum & Anderson (10 dept. stores in NY)	132.5
New York City Area	
Abraham & Straus, Brooklyn (Federated Dept. Stores, Cincinnati, OH) (14 dept. stores: NY 8, NJ 4, PA 2)	742.9
A&S opened a store in Manhattan on 33rd Street--the site of a former Gimbels store which has now been made A&S Plaza, and will be the location for a Plymouth, Chess King and other specialty stores. The A&S store sales are projected by the company to reach $200 million in its first year.	
Alcott & Andrews (women's specialty stores in CA, CT, DC, GA, IL, MD, NJ, NY)	50
Filed Chapter 11 bankruptcy petition in August 1989, and 7 stores were closed. In October 1989 it was announced that the business would be liquidated.	
Alexander's Dept. Stores, Inc. (12 dept. stores in CT, NJ, NY)	463.2
A 50% share of the company is owned by Donald J. Trump and Interstate Properties.	
B. Altman & Co. (Hooker Retail USA, New York) (7 dept. stores)	229
As noted in Section I, Hooker placed the store under Chapter 11 bankruptcy protection. The stores were then put up for sale; lacking a buyer, all but the Cincinnati store were liquidated. Plans to open a Buffalo area store have been dropped.	

NORTHEAST — Latest Available Annual Sales (Mil.$)

NEW YORK

New York City Area (continued)

Ann Taylor Inc. (120 women's specialty stores in 25 states) $ 274.3
Sold Feb. 1989 by Campeau Corp. to an investment group including Merrill Lynch Capital Partners Inc. and members of Ann Taylor management. Seventeen stores were to be opened in 1989, expanding into an additional 17 states; and a total of 200 are projected within five years.

Barney's, New York (1 men's wear with an attached women's wear, linens and gift shop and a men's wear store in Manhattan's World Financial Center). 100
Major expansion plans have been announced. They include opening 25 to 30 Barney's New York stores in the U.S. by 1994, with projected total sales of $100 million. This would be a joint venture with the Isetan Company, Ltd., Japan, which will have a minority interest. The Pressman family, owners of Barney's, will have a minority interest in the stores to be opened in Japan.

Stores opened in 1989 included a unit in The Mall, Chestnut Hill, MA; the Mall, Short Hills, NJ and in The Americana, Manhasset, NY. Early in 1990, Barney's New York stores will be opened on the West Coast: in Costa Mesa and in Seattle. A Westport CT store will be opened in Spring 1990. A Chicago store and a Wilshire Blvd. Beverly Hills store (to be owned entirely by the Pressman's along with the two New York City stores) will be opened in 1991.

The first Japanese Barney's New York will open in Tokyo in November 1990, and is projected to do $40 million in sales the first year.

Henri Bendel, New York, NY (The Limited Inc., Columbus, OH) (1 spec. store)
1989 estimate: 30
Bendel plans to open a larger replacement store in 1990 as well as branches in Boston, Chicago and Columbus, OH.

Bergdorf Goodman (Neiman Marcus Group, Chestnut Hill, MA) (1 women's wear specialty store, plus mail order business) 171
An annex store selling men's wear will be opened in 1990.

NORTHEAST

NEW YORK

New York City Area (continued)

	Latest Available Annual Sales (Mil.$)
Bloomingdale's (Federated Dept. Stores, Cincinnati, OH) (17 department stores in CT, FL, IL, MD, MA, NJ, NY, PA, TX, VA plus a Home Store, Bloomies Express, and Bloomingdale's By Mail Ltd. 1988 sales:	$ 1,188.9
Sales in the fiscal year ending Jan. 31, 1990, are estimated at $1,295 million.	
New York Metropolitan Area:	
59th Street, NY	382.0
Garden City, NY	57.0
White Plains, NY	65.6
Fresh Meadows, NY	27.1
Bergen County, NJ (Riverside Sq. Mall)	72.1
Short Hills, NJ	63.8
Stamford, CT	35.4
Carle Place, NY	4.5
Washington, DC Area:	
Tyson's Corner, VA	45.5
White Flint, MD	58.8
Greater Boston:	
Chestnut Hill I, MA (Home Store)	22.8
Chestnut Hill, MA (Apparel Store)	36.9
South Florida:	
Miami,FL	44.2
Boca Raton, FL	57.2
Philadelphia, PA:	
King of Prussia, PA	45.0
Willow Grove, PA	35.5
Chicago, IL (opened Sept. 1988) 3 Month Total:	43.7
Dallas, TX (Valley View Center)	30.0
Bloomies Express (2 licensed airport shops, NY, operated by Host Marriott Corp.)	3.3
(Five additional shops by 1990 were planned)	
Bloomingdale's By Mail Ltd.	58.6

NORTHEAST	Latest Available Annual Sales (Mil.$)
NEW YORK	
New York City Area (continued)	
Bloomingdale's has been put up for sale by parent company Campeau Corp. Current management financed by a Japanese or other group by be the buyer. Plans previously announced included the opening of four stores: Palm Beach, FL (Fall 1990); Old Orchard Mall, Skokie, IL (Fall 1991); Fashion Mall of America, Minneapolis, MN (Fall 1992), and possible a unit in Boston. Sales of existing stores are projected to reach $1,576 million by 1993; with the additional planned stores, $1,834 million.	
Bolton's (B. Boman & Co. Inc., Long Island City, NY) (22 women's specialty stores including 11 in Manhattan, 11 in the rest of NY, NJ and CT) 2 stores were opened in 1989.	$ 40.0
Bonwit Teller (Hooker Retail, USA, New York, NY) (15 women's specialty stores in FL, IL, MA, MI, MO, NJ, NY, OH, PA, SC). As part of the restructuring of operations by the parent company, Bonwit Teller may be sold although no official announcement to the effect has been made by the company. Bonwit Teller was placed under Chapter 11 bankruptcy proceedings in August 1989, along with B. Altman. In 1988, additions by Bonwit Teller included a store in Cincinnati, OH and Columbia, SC., a replacement store in Boston, MA, and renovation of other stores. The 16th unit, in Buffalo, NY opened May 1989.	175.0
Brooks Brothers, New York, NY (Sold in May 1988 by Allied Stores Corp., to Marks & Spencer PLC, London England) (50 apparel stores in the U.S., 21 in Japan which are operated in a joint venture with Diado) Four stores were opened in the U.S. in 1988; two in 1989: Columbus, OH and Chicago, IL. A Cleveland, OH store will be opened in 1992.	275
Chess King, New York, NY (Melville Corp., Harrison, NY) (564 men's wear stores)	237.9
Foxmoor Specialty Stores, New York, NY (Dylex, Ltd., Toronto, Ont., Canada) (602 specialty stores)	260
Lane Bryant, New York, NY (The Limited Inc., Columbus, OH) (709 women's spec. stores) 1989 estimate:	707

NORTHEAST

NEW YORK

New York City Area (continued)

	Latest Available Annual Sales (Mil.$)
Lerner Shops, New York, NY (The Limited Inc., Columbus, OH) (794 women's spec. stores) 1989 estimate:	$ 966
The Lerner Woman, a separate division, was sold in April 1989.	
Loehmann's, Bronx, NY (73 off-price women's wear stores sold in August 1988, to Sefinco Ltd., Spain and the Sprout Group, a division of Donaldson, Lufkin & Jenrette Securities Corp., New York, NY) Four stores were added by mid-1989	351
Lord & Taylor, New York, NY (May Dept. Stores Co., St. Louis, MO) (47 stores in CT, DC, FL, GA, IL, MA, MD, MI, NJ, NY, PA, TX, VA)	963
L&T stores in Houston, TX (2) and Jenkintown, PA are to be sold. In January 1989 May Department Stores announced that 6 of the 9 Hahne's Department Stores (Paramus, NJ) will be converted to Lord & Taylor units. After the conversion in 1990-91, L&T will have 10 stores in NJ, including a new Garden State Plaza store.	
L&T opened a store in Fashion Mall, Plantation, FL in July 1989 which is expected to reach sales of about $20 million in its first year. This is its 11th Florida store. A Natick, MA store is to be opened in 1991. Overall, L& T planned to open 12 stores in the next three years.	
Macy's Northeast (a new division consolidating the New York and New Jersey Divisions formed in 1988). (R.H. Macy & Co., New York, NY) (44 stores)	3,315
Two of three planned Washington, DC area stores have opened: Tyson's II Mall, McLean, VA in Sept. 1988 (which did about $70 million in its first year); Pentagon City, Arlington, VA opened Oct. 1989. The third, in Springfield, VA will open in 1991.	
Saks Fifth Avenue (BATUS, Inc., Louisville, KY) (46 specialty dept. stores in AZ, CA, CT, FL, GA, IL, LA, MA, MD, MI, MO, NV, NJ, NY, OH, PA, TX, VA) (To be sold)	1,160
New stores are under construction in Minneapolis, MN, Portland, OR and Denver, CO. A replacement store is under construction in Chicago.	

Section II

NORTHEAST	Latest Available Annual Sales (Mil.$)
NEW YORK	
New York City Area (continued)	
Tiffany & Co. (9 stores in the U.S.: NY, GA, MA, IL, CA, TX; 15 in foreign countries. A 13% interest in the company is held by Mitsukoski, Japan) A store in Tyson's Corner, VA will open in the Fall 1989.	$ 290
Rochester	
McCurdy & Co. (7 department stores in NY)	68
Sibley's (May Department Stores Co., St. Louis, MO) (10 department stores) Opened stores in Syracuse and Buffalo in 1989.	182
White Plains	
Steinbach's (Howland Steinbach owned by Amcena Corp., New York, NY) (29 stores)	203
PENNSYLVANIA	
Allentown	
Hess's Department Stores, Inc. (Crown American Corp., Johnstown, PA) (73 stores in GA, MD, NY, OH, PA, TN, VA, WV) 1989 store openings included: Christianburg, VA; Chattanooga, TN; Clarksville, IN; Schenectady and Syracuse, NY; Philipsburg, NJ; Ashland, KY; Chesapeake, VA, and Ashville, NC. Sales for 1989 have been projected to $660 million. By end of 1990 Hess will have 82 units in 13 states.	613.8
Harrisburg	
Pomeroy's (BonTon Department Stores/S. Grumbacher & Sons, Inc., York, PA) (11 department stores)	125
Philadelphia	
Strawbridge & Clothier (12 department stores in DE, NJ, PA) Also operates 22 Clover Stores, a discount variety chain with annual sales at $315 million.	589.2
John Wanamaker Div. (Taubman Investment Group, Detroit, MI which also owns Woodward & Lothrop Co., Inc., Washington, DC. Buying is done by W&L office. See Washington, DC listing.) The downtown Wanamaker store is to be closed and a branch in the Christiana Mall near Wilmington, DE will be opened in 1991.	--

NORTHEAST	Latest Available Annual Sales (Mil.$)
PENNSYLVANIA	
Pittsburgh	
Joseph Horne Co. (Maverick Fund I) (15 department stores in OH and PA)	$ 252
Kaufmanns (May Department Stores Co., St. Louis, MO) (14 department stores: OH, PA, WV)	516
Reading	
Boscov's Dept. Stores, Inc. (15 department stores in DE, NY, PA)	405.7
ILLINOIS	
Chicago Area	
Carson Pirie Scott Department Stores Div. (33 stores in IA, IL, IN, MN, including former Donaldson's stores)	550

In May 1989, P.A. Bergner, Milwaukee reached an agreement to buy the entire Carson Pirie Scott operation which includes the above plus specialty stores and catalog operations.

Carson Pirie Scott operates 17 stores in the Chicago area, Bergner 4. Bergner plans to change the name of 3 of these stores to Carson Pirie Scott and close one by 1990. (See P.A. Bergner, Milwaukee, listing.)

Marshall Field (BATUS Inc., Louisville, KY) (24 department stores: IL 15, OH 1, TX 4, WI, 4)	1,020
State Street, Chicago Store (undergoing renovation)	200

Marshall Field sold 2 of its 4 Milwaukee stores to H.S. Prange, Green Bay, WI, in January 1989. A Columbus, OH store opened in the Fall of 1989 and is expected to have sales of \$25-\$30 million in its first year. An Oakbrook Mall, Chicago area store opening was planned for 1991. However, Marshall Field has been put up for sale by the parent company B.A.T. Industries, PLC. A management buyout may be the winning bidder.

INDIANA	
Indianapolis	
L.S. Ayres (May Department Stores Co., St. Louis, MO) (14 stores in IN and OH)	315

MIDWEST — Latest Available Annual Sales (Mil.$)

IOWA

Des Moines

Younkers Inc. (Equitable of Iowa Companies, Des Moines, IA) (36 department stores in IA, IL, NV, MN, SD, NB) $ 313.4

Equitable announced plans in June 1989 to sell Younkers, but failed to attract acceptable offers. Senior management obtained an equity ownership and Equitable is restructuring the company.

KANSAS

Kansas City (see Kansas City, MO.)

MICHIGAN

Detroit

Crowley Milner & Co. (Oakland Holding Co.) (11 jr. department stores in MI) 110.7

Jackson

Jacobsons Stores, Inc. (23 department stores in IN, FL, MI, MN) 356.5

The Rochester, MN store was enlarged in 1989. A Columbus, OH store will be opened in the Fall of 1989.

MINNESOTA

Minneapolis-St. Paul Area

Dayton Hudson Department Store Co. (20 Hudson's stores in MI, IN, OH; 17 Dayton's in MN, ND, SD, WI) 1,695

A Hudson's will open in Traverse City, MI in 1992. The Dayton's Minneapolis flagship store was remodeled in 1988, as well as Hudson's, Ann Arbor, MI.

In 1989 Saks Fifth Avenue opened a store in the Nicollet Mall, Minneapolis. Nieman Marcus will open in the Mall by 1991. Nordstrom, Macy's and Bloomingdale's plan to open in the Fashion Mall of America, Bloomington. St. Paul's Town Square has a Dayton's and a Carson Pirie Scott.

Section II

MIDWEST	Latest Available Annual Sales (Mil.$)
MISSOURI	
Kansas City	
The Jones Store (Mercantile Stores, New York, NY) (10 stores in KS)	$ 260
St. Louis	
Dillard's, St. Louis Div. (Dillard Dept. Stores, Little Rock, AR) (27 stores in MO, KS, NB, IA)	520
Famous Barr (May Department Stores Co., St. Louis, MO) (17 stores in IL and MO)	502
OHIO	
Akron	
O'Neil's was merged into May Co., Cleveland in January 1989 and the downtown Akron store was closed. (See Cleveland below)	--
Ashtabula	
Carlisle's (10 specialty stores)	48
Bowling Green	
Uhlman's (33 specialty stores)	49.5
Cincinnati	
Lazarus Department Stores (Federated Department Stores, Cincinnati, OH) (43 department stores in IN, KY, MI, OH, WV)	946
McAlpin's (Mercantile Stores Co., Wilmington, DE) (9 stores)	375
Cleveland	
The Higbee Co. (jointly owned by Dillard Department Stores and the Edward J. Bartoli Corp., in a 50/50 split) (12 stores)	325
Kline Brothers (27 jr. department stores)	73
May Co.-Cleveland (May Department Stores Co., St. Louis, MO) (9 OH stores plus 7 former O'Neil's, Akron, OH outlets)	424
Abercrombie & Fitch (The Limited Inc., Columbus, OH) (27 stores plus mail order business and Mast Industries manufacturing)	50
Limited Express (The Limited Inc., Columbus, OH) (348 women's wear stores)	743
The Limited (The Limited, Inc., Columbus, OH) (754 women's specialty stores)	1,293

MIDWEST — Latest Available Annual Sales (Mil.$)

OHIO

Columbus

Victoria's Secret (The Limited Inc., Columbus, OH) (357 specialty stores) $ 499

Toledo

Lion Dry Goods (Mercantile Stores Co., Wilmington, DE) (3 stores) 120

WISCONSIN

Green Bay

Prange's (H.S. Prange Co., Sheboygan, WI) (22 department stores in WI, IL, MI) 192

Also operated Prange Way, Green Bay, 20 stores with 1988 sales at $160 million and the "id" women's wear chain.

In January 1989 Prange acquired two of the four Milwaukee area Marshall Field stores and also the 56-unit Thimbles chain of women's wear stores from BATUS. The Thimbles stores will be converted to "id" stores, bringing the total number to 160.

Menomonee Falls

Kohl's Department Stores (66 stores including 26 MainStreet stores, acquired from Federated Department Stores in November 1988) 650

Kohl's plans to open stores in the Minneapolis-St. Paul area, Detroit and Chicago. The 14 MainStreet stores in the Chicago area and 12 in the Twin Cities and Detroit markets became Kohl's in Spring 1989.

Milwaukee

P.A. Bergner (Owned by a Swiss investors group) (21 Bergner stores: IL 19, WI 2; 10 Boston Stores in WI) 468.2

In May 1989, Bergner reached an agreement to buy Carson Pirie Scott & Company, Chicago, which included the following:

33	Carson Pirie Scott, Chicago stores, operating in Midwest	550
391	County Seat Stores in 37 states.	330
3	women's spec. stores and a home store in the Chicago area.	144
23	Arcadia Shops (stationery, novelties, etc.) and CPS Direct Marketing, Phoenix, AR	

Bergner sold the Arcadia Shops to Claire's Stores, Chicago. Sale of The County Seat stores (435) to an investor group was announced in Dec. 1989. CPS Marketing operations will also be sold. Bergner plans to retain the Carson Pirie Scott name and will rename 3 of its 4 Chicago-area stores Carson Pirie Scott, closing the 4th. A Milwaukee store will be closed.

The combined sales volume of Bergner and CPS will exceed $1 billion.

Section II

SOUTH	Latest Available Annual Sales (Mil.$)
ALABAMA	
Birmingham	
Parisian, Inc. (18 spec. stores in AL, GA, TN, FL, OH)	$ 263
In August 1989 Hooker Holdings USA Inc., agreed to sell its 65% stake to Parisian Inc. management. They in turn agreed to open a store in the Fall of 1989 in Hooker's Parkland Fashion Mall, Columbia, SC. Other scheduled store openings included Sarasota, FL (Nov. 1989); Jacksonville, FL (1992).	
Mobile	
Gayfer's (Mercantile Stores, Wilmington, DE) Operates two divisions:	
Montgomery, AL (6 stores: AL 4, GA 2)	190
Mobile (12 stores: FL 6, AL 3, MS 3)	390
Selma	
Leon's Casuals Inc. (18 women's wear stores in FL, AL, GA)	13.2
Acquired in 1989 by Cascade International Inc., Boca Raton, FL, a holding company which also owns Diane Shops Inc.	
ARKANSAS	
Little Rock	
Dillard's Arkansas Division (Dillard Department Stores, Inc., Little Rock, AR) (27 dept. stores in AR, TX, LA, TN)	440
DISTRICT OF COLUMBIA (Also see listings for MARYLAND AND VIRGINIA)	
Garfinckel's/Raleighs (21 stores):	
Garfinckel's (9 specialty stores in DC, VA, MD):	90
The Tysons Corner store was closed, but a new store will be opened in Washington.	
Raleigh's (12 specialty stores acquired in January 1989 by Hartmarx Corp.)	80
Hecht's (May Department Stores Co., St. Louis, MO) (22 stores)	759
Woodward & Lothrop (including Wanamaker's) Taubman Investment Co., Detroit, MI) (31 stores)	900
Woodward & Lothrop (16)	500
Wanamaker's (15)	400
It is reported that Taubman has dropped plans to sell Woodward/Wanamaker's. The downtown Philadelphia Wanamaker store is to be closed; a branch in Christiana Mall near Wilmington, DE will be opened in 1991.	

SOUTH	Latest Available Annual Sales (Mil.$)
FLORIDA	
Bradenton	
Beall's (42 department stores. Sales also include about $10 million from 12 outlet stores)	$ 170
Jacksonville	
May Co.-Florida was sold in 1988 by May Department Stores Co., St. Louis, MO to Maison Blanche, New Orleans, LA; and renamed Maison Blanche	--
Miami	
Burdine's (Federated Department Stores, Cincinnati, OH) (30 department stores including a Palm Beach store opened in Fall 1988)	835.4
JByron's Department Stores (Amcena, New York, NY) (55 stores)	250
Tampa-St. Petersburg	
Maas Inc. (includes former Jordan Marsh stores which were merged with Maas in 1987) (38 department stores)	627.7
GEORGIA	
Atlanta	
Macy's-South (R.H. Macy & Co., New York, NY) (25 stores)	785
Rich's (Federated Department Stores, Cincinnati, OH) (32 stores including former Goldsmith's stores, Memphis)	850.5
Rich's is constructing 2 stores in Macon, GA and in Atlanta suburbs, and is remodeling Goldsmith's Memphis flagship store.	
Augusta	
J.B. White & Co. (Mercantile Stores Company Inc., Wilmington, DE) (7 department stores)	160
KENTUCKY	
Louisville	
Bacon's/Roots (Mercantile Stores Company Inc., Wilmington, DE) (7 department stores in KY, IN)	170
A Bacon's unit was opened in Louisville in 1988 and a homefurnishings annex was added in 1989.	

SOUTH	Latest Available Annual Sales (Mil.$)
LOUISIANA	
Baton Rouge	
Maison Blanche (21 stores in LA, FL, including 5 former May Co.-Florida stores (4 in Jacksonville, 1 in Daytona Beach)	$ 460
A 22nd store in Lakeland, FL was opened in 1989 and the Clearview Mall store, New Orleans was enlarged. In 1990 stores will be opened in Slidell, LA and Jacksonville, FL; and a replacement store in Orlando.	
New Orleans	
D.H. Holmes Co. Ltd. (merged in May 1989 with Dillard Department Stores Inc., Little Rock, AR) 18 department stores in LA, MS, AL, FL plus shoe stores, clearance centers and a car care center)	276.0
MARYLAND	
Baltimore/Towson	
Hutzler's, Towson, MD (6 department stores in MD. 50% ownership held by Schottenstein, Baltimore partnership group.)	65
It was reported in October 1989 that Hutzler's would be closed by the end of the year.	
Merry-Go-Round Enterprises, Baltimore, MD (617 specialty stores in 37 states and D.C. Acquired three men's wear chains in 1989).	298.9
MISSISSIPPI	
Jackson	
McRae's, Inc. (28 stores: AL, FL, LA, MS)	350
NORTH CAROLINA	
Charlotte	
Ivey's (BATUS Inc., Louisville, KY) (23 stores in FL, NC, SC) To be sold as part of BATUS's restructuring plan.	297

	Latest Available Annual Sales (Mil.$)
SOUTH	
TENNESSEE	
Alcoa	
Proffitts (10 stores)	$ 77.7
A Chattanooga store was opened in January 1989; in Asheville, NC in Oct. 1989--the first unit in that state.	
Nashville	
Caster Knott Dry Goods Co. (Mercantile Stores Co., Wilmington, DE) (11 department stores in TN, AL, KY)	275
TEXAS	
Dallas	
Neiman Marcus-Dallas (Neiman-Marcus Group, Chestnut Hill, MA) (22 stores: TX 6, GA 5, IL 3, FL 2, DC 1, GA 1, MA 1, MO 1 NV 1, NY 1) (Sales including $101.3 million in Horchow catalog sales):	1,112
N/M opened its 2nd Washington, DC area store in October 1989 in Tyson's II Galleria, McLean, VA which is expected to reach sales of $42 million in its first year. The Mazza Galleria store in Northwest Washington had sales of $33 million in 1988, and is to be renovated in 1989. N/M will open stores in Denver (1990), Minneapolis (1991) and Paramus, NJ (1991).	
County Seat (Carson Pirie Scott, Chicago, IL) (391 stores)	282
Sold in 1989 to P.A. Bergner, Milwaukee, WI.	
Fort Worth	
Dillard's, Fort Worth Division (Dillard Department Stores, Little Rock, AR) (42 department stores in TX, OK, KS)	760
The Dunlap Co. (Jr. department stores operating under various names including 11 Dunlap stores in west Texas and New Mexico; Striplings & Cox, 7 stores in Fort Worth)	150
Acquired M.M. Cohn, Little Rock, AR (9 stores) in 1988.	
Houston	
Foley's (May Department Stores Co., St. Louis, MO) Acquired in 1988 from Federated. 34 stores after the January 1989 closing of 3 Dallas stores and 1 Albuquerque store)	1,024
An Irvington Mall store--a former Joske's--was opened August, 1989. A former Lord & Taylor store in San Antonio will become a Foley's in the Fall of 1989.	

Latest Available
Annual Sales (Mil.$)

SOUTH

TEXAS

Houston (continued)

Sakowitz Inc. (An 80% ownership is held by Hooker Retail USA, which they will sell as part of the restructuring of operations). (4 stores) $ 30

Two Sakowitz Destination Stores were opened in 1989: Cincinnati, OH; (expected to do $6 million in sales in its first year) and Highland Park Village, (expected to reach $6.6 million its first year).

Palais Royal (28 jr. department stores in Texas. Sold in January 1989 to Bain Capital, Boston which formed a holding company--Specialty Retailers Inc. to operate Palais Royal and 3 Bealls Brothers Three stores, Jacksonville, TX)
Combined sales: 450

Weiner's Stores (125 apparel specialty stores) 225

San Antonio

Dillard's, San Antonio Division (Dillard Department Stores, Little Rock, AR) (31 department stores in TX) 525

Frost Brothers (Wyly Collection, New York, NY) (4 specialty stores in TX) --

Hooker dropped plans to buy stores and merge them with Sakowitz. Stores will be liquidated.

VIRGINIA

Arlington/McLean

With the opening of The Galleria at Tyson's II and the re-opening of Tyson's Corner Center in McLean, VA in October 1988, the Washington DC area has one of the largest retail districts in the nation.

Tyson's Corner Center is anchored by Bloomingdale's, Woodward & Lothrop, the Hecht Co. and Nordstrom with its first East Coast store, reached sales of over $100 million in its first year. The Limited and The Limited Express are also located in the Center.

May's opened the anchor store for Tyson's II in September 1988; Sak's Fifth Avenue opened a store in October and Nieman Marcus in the Summer of 1989.

Latest Available
Annual Sales (Mil.$)

SOUTH

VIRGINIA

Arlington/McLean (continued)

A third major center is developing: Fashion Centre, Pentagon City Mall, Arlington, VA. Macy's and Nordstrom (with its second East Coast store) are the two anchors, opening in Sept. 1989.

Both Nordstrom and Macy's plan to have four stores in this area.

South Hill

W.S. Peebles Inc. (49 stores in VA, NC, SC, MD, DE, KY, TN) $ 150

Sold in a leveraged buyout by an investment group, including Paine Webber Inc., in January 1989.

Richmond

Miller & Rhoads (17 department stores: VA 16, NC 1)

Filed Chapter 11 bankruptcy proceedings in July 1989. Sales for period September 1987-July 1989: 123.7

Plans to reorganize were abandoned in Nov. 1989. 4 stores are to be sold to May Dept. Store, the rest closed.

Thalhimer Bros., Inc. (Carter Hawly Hale, Los Angeles, CA) (25 department stores: VA 12, NC 10, SC 2, TN 1) 385

Will open a store in Raleigh, VA and in Winston Salem, NC in 1991.

WEST VIRGINIA

Nitro

Heck's (55 discount department stores) 298.8

Operated under Chapter 11 bankruptcy proceedings until Sept. 1989. Will be reorganized and name changed to Take 10 Discount Club.

Wheeling

Stone & Thomas, Inc. (19 dept. stores in OH, WV) 120

WEST

ARIZONA

Mesa/Tempe/Phoenix Area

Broadway Southwest, Mesa (Carter Hawley Hale, Los Angeles, CA) (11 stores in AZ, CO, NM, NV) 220

Dillard's Phoenix Division, Tempe, AZ (19 department stores in AZ, NM, NV, TX) 315

WEST — Latest Available Annual Sales (Mil.$)

ARIZONA

Scottsdale

Goldwater's Division (May Department Stores Co., St. Lous, MO) (9 stores) — $ 165

In January 1989 it was announced that Goldwaters would be dismantled. Two branches in Tucson, AZ were sold to Dillard; 5 in the Phoenix/Scottsdale area were acquired by J.S. Robinson, Los Angeles; May Co. California acquired the Las Vegas store; May D&F, Denver, the Albuquerque store.

Fresno

Gottschalk's (14 department stores) — 196

Downtown Fresno and Bakersfield, CA units were closed in 1988.

A Clovis unit was opened, and in Fall 1989, a store in Antioch, CA. In 1990, Gottschalk's plans to open stores in Yuba City and in Palmdale, CA.

Haywood

Mervyn's (Dayton Hudson Corp., Minneapolis, MN) (213 department stores) — 3,408

Eight stores were to be opened in 1989 and 25 were to be remodeled. Projections for 1989 anticipated a total of 219 stores with sales of about $4 billion.

Los Angeles/Long Beach (Southern California Area)

The Broadway-Southern California (Carter Hawley Hale Stores, Inc. Los Angeles, CA) (43 department stores in California plus a clearance center.) — 1,125

A Santa Barbara store is to be opened in 1990.

Buffum's Inc., Long Beach (16 Jr. department stores) — 116

Bullock's (operated by Macy's California after acquisition from Federated by R.H. Macy & Co. in 1988) (22 department stores) — 755

Bullock's Wilshire (Macy's California) (7 stores) — 116

I Magnin's Feb. 1, 1990, except for the flagship Los Angeles store, with a 1988 volume of $39 million, will be renamed I Magnin/Wilshire.

WEST	Latest Available Annual Sales (Mil.$)
CALIFORNIA	
Los Angeles/Long Beach (continued)	
Contempo Casuals (Neiman Marcus Group, Chestnut Hill, MA) (228 specialty stores)	$ 184.6
May Co.-California, North Hollywood (May Department Stores Co., St. Louis, MO) (34 dept. stores)	900
Opened a store in Northbridge Fashion Center, CA in June 1989. In January 1989, May merged the Goldwaters, Las Vegas store into it operation.	
Robinson's (May Dept. Stores Co., St. Louis, MO) (29 department stores in CA)	720
Five Goldwater's stores in Phoenix and Scottsdale were merged with Robinson's in 1989.	
Sacramento	
Weinstock's (Carter Hawley Hale Stores, Inc., Los Angeles, CA) (12 department stores in CA, UT, NV)	245
Macy's (Macy's California) 2 dept. stores	123
San Bernadino	
Harris' Stores (6 department stores)	91.3
San Francisco	
Emporium Capwell (Carter Hawley Hale Stores, Inc. Los Angeles, CA) (22 department stores in CA)	755
San Francisco flagship (to be renovated)	70.+
Macy's California (R.H. Macy & Co., New York, NY) (28 stores)	1,465
Operates Bullock's Department Stores and I Magnin Stores.	1,400.0
I. Magnin (Macy's California) (24 specialty stores in CA, IL, AZ, MD, OR, WA)	350
Southern California--9 stores plus Phoenix, AZ store	80
Beverly Hills	20
On Feb. 1, 1990, according to a Macy announcement, 6 of the 7 Bullock's Wilshire stores are to be renamed I. Magnin's; the 7th, in L.A. with a 1988 volume of $39 million, will be named I. Magnin/Wilshire. The Los Angeles I. Magnin's (volume $10 million in 1988) will be closed.	
Nordstrom Inc., Seattle, WA opened its largest store, in San Francisco, in October 1988. It is expected to reach a volume of about $150 million in its first year.	--

Section II

WEST	Latest Available Annual Sales (Mil.$)
CALIFORNIA	
Van Nuys	
Judy's (105 specialty stores operated under different names)	$ 57.5
COLORADO	
Denver	
Joslins (Mercantile Stores Co., Inc., Wilmington, DE) (11 dept. stores: CO 10, WY 1)	235
May D & F (May Department Stores Co., St. Louis, MO) (13 dept. stores including three former The Denver stores)	267
In 1989 the Goldwaters Albuquerque store was merged with May D & F.	
Nordstrom's Inc. and Dillard Dept. Stores, Inc. will open stores in the new Regency Fashion Center, Denver, in Aug. 1992.	
MONTANA	
Billings	
Hennessy's (Mercantile Stores, Inc., Wilmington, DE) (3 dept. stores; also deLendrecie's, Fargo, ND (1) and Glass Block, Duluth, MN (1)	90
OREGON	
Portland	
Meier & Frank (May Department Stores Co., St. Louis, MO) (8 dept. stores: OR 7, WA 1)	254
UTAH	
Salt Lake City	
ZCMI Department Stores (Zion's Cooperative Mercantile Assoc.) (12 dept. stores in UT and ID)	182.7
WASHINGTON	
Bellevue	
Lamonts (44 specialty stores in AK, ID, OR, WA)	230

WEST	Latest Available Annual Sales (Mil.$)
WASHINGTON	
Redmond	
Eddie Bauer, Inc. (Spiegel Inc., Oakbrook, IL) (99 stores plus catalogs which do an estimated $100 million in sales)	$ 301
The 100th store was opened in Huntington Station, NY, Sept. 1989.	
Seattle	
The Bon Marche (The Bon) (Allied Stores Corp., Cincinnati, OH) (40 stores including 3 Home Stores, in ID, MT, OR, UT, WA)	586.9
(40 stores in Bellevue, WA)	40
A Burlington, WA store opened November, 1989; a store in Eugene, OR is under construction. (1989 volume expected to reach $650 million)	
Frederick & Nelson (F&N Acquisition Corp., Seattle, WA) (11 department stores, 7 Lymans specialty stores)	220
F&N was sold February 1989, with Seattle developer David Sabey becoming the majority owner. Existing stores are to be remodeled and a Lakewood, WA store opened in November 1989. This store is planned to do $14 million in its first year. (Expected 1989 total: $240 million)	
Spokane	
The Crescent (F&N Acquisition Corp., Seattle, WA -- sold 1989. See above.)	55
HAWAII	
Honolulu	
Liberty House Stores (Amfac Retail Div., San Francisco, CA) (9 department stores, plus resort/specialty shops)	300.+

SCHEDULE OF ADDITIONAL FACT FILES

The Children's Market: Infants', Toddlers', Girls' and Boys' (Apparel, Juvenile Products, Toys/Dolls): Covers demographic trends affecting this market, including births, population projections by age, and characteristics of households with children. Includes detailed information on the U.S. children's wear industry, including production and shipments, foreign trade and price trends. Also covered are market trends for juvenile products (cribs, strollers, etc.) and for toys, games and dolls.

Consumer Market Developments (1989 Edition): An overview of all facets of the consumer market. Within the framework of population and income groups, the markets for children's products, for young adults and for the mature are defined in terms of numbers and buying power. Trends and projections are inclued as well as an analysis of developments that are shaping the U.S. consumer market--living arrangements, households, working women, marriage and birth rates, etc. Trends in personal consumption expenditures are also covered.

Department Store Sales (1989 Edition): Outlines ownership change/reorganizations in the past year affecting major department and specialty stores. Buying headquarter locations of stores are listed with information on sales and number of outlets included in this total. Notes are included on plans to open and/or close stores. Sales and outlet information is separately listed for corporate headquarter and for national chains.

Dresses (Women's, Misses' & Juniors'): At the manufacturer level, provides a statistical profile of the dress industry and the products made within this industry, including dresses, washable service apparel, ensembles, etc. Includes number and size of manufacturers, production, and value of shipments, industry location and trends in employment levels. Analyzed is the governing impact of imports on total U.S. market supply. Reatil sales by major type of retail outlet are covered, as well as growth in the size of the consumer market, based on population counts, working women by type of occupation, and more.

Fashion Accessories (Men's and Women's): Covers developments in the U.S. industry, in imports and in retail sales for fashion accessories, including small leather goods handbags, millinery, scarves, gloves, belts, jewelry, sunglasses, watches, etc., to the extent that statistical information is available. Included are production and shipments by U.S. manufacturers plus the quantity and value of imports in recent periods. Retail sales and operating results in department and specialty stores are reported, as well as summaries of available studies on consumer buying preferences.

Footwear (Men's, Women's, Boys', Girls') (A 1989 Edition): A statistical summary of the U.S. footwear industry and U.S. market. Covers domestic production and shipments, and details trends in imports and their share of the dnd trends in the market aromestic market, with information on major types of footwear. Includes information on sales trends and operating/merchandising results for shoe departments.

Home Textiles & Related Products: Includes the latest statistics on the U.S. industry, including manufacturers of a wide variety of products--bed linens, towels, blankets, comforters, slip covers, pillows, curtains/draperies and hardware, shades and blinds. Covers the changing competitive nature of the industry through acquisitions of major producers and through consolidation of buying power at the retail level. Includes information on production, shipments and retail sales.

Hosiery/Legwear/Bodywear (Men's, Women's, Boys' Girls'): A comprehensive report on mills making hosiery and related products, including production and shipments, fiber consumption, producer price trends. The growing trend in imports is also covered. At the consumer level, the size of the potential market is measured in terms of population counts and projections and estimates are included on retail sales of major products by type of retail outlet.

Household Appliances, Electric Housewares: Covers a broad range of products included in these two classifications at the manufacturer and at the retail level. Provides a statistical profile of the U.S. industry in terms of number of manufacturers, production, shipments, exports. Imports are detailed, as well as information on export markets. Covers retail sales and merchandising results and information on appliance/radio/TV stores.

Household Furniture and Bedding: Provides an overall view of market trends in the U.S. For the U.S. industry, the report covers statistics on manufacturers, on production and shipments in terms of quantity and value by type of furniture. Trends in the concentration levels in the U.S. industry are reported, as well as in employment and earnings in the industry. Also included is information on the industry in leading states. Consumer market information includes data on characteristics of new housing units (number of rooms); also trends in consumer expenditures for furniture, sales by type of outlet. Details on furniture stores, including the 25 leaders, are also covered.

Men's Clothing and Furnishings: Provides a summary of major market trends in the men's furnishings/work/career apparel area and the tailored clothing areas, as well as in the rainwear area. Covers production and shipment information, employment trends, manufacturer concentration levels, location of the industries. Also examines import/export material. There's a look at the consumer market, plus in-depth details covering the retail level including sales and operating results for men's furnishings/work,/career apparel/and tailored wear in both department and men's wear stores.

Men's Sportswear, Casual Wear, Outerwear: The wide variety of men's wear items included are covered from available statistical information on the industry at the manufacturer, retailer and consumer levels. Included is information on production and shipments by domestic producers, imports and exports. The retail market is covered in sales estimates and data on major outlet types, as well as studies of consumer buying practices.

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Toiletries, Cosmetics, Fragrances and Beauty Aids: A detailed view of the U.S. industry, leading manufacturers, sales of products for both men and women, trends in industry employment and earnings, advertising expenditures and foreign trade. Consumer expenditures by product are detailed as well as retail sales by outlet type, and consumer buying patterns and usage in regard to specified products.

Women's Inner Fashions; Nightwear, Daywear and Loungewear: An analysis of statistical information available on the industry and market, from manufacturer through to consumer. Includes the latest available data on U.S. production, shipments and exports; and details on imports. Retail sales and operating results in department and specialty stores are covered, as well as trends in producer and consumer prices. Developments in the size of the consumer market and trends in the market aromestic market, with information on major types of footwear. Includes information on sales trends and operating/merchandising results for shoe departments.

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Household Appliances, Electric Housewares

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Distributed through
Book Division
Fairchild Publications
Division of Capital Cities Media, Inc.
New York

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Standard Book Number: 87005-691-3
Printed in the United States of America

HOUSEHOLD APPLIANCES AND ELECTRIC HOUSEWARES

EXECUTIVE SUMMARY

According to the Bureau of Economic Analysis, Dept. of Commerce, in the first three quarters of 1989 consumer spending for household appliances and electric housewares was at an annual rate of $29.4 billion, 4.2% over the comparable 1988 average.

Projections by executives at White Consolidated Industries (WCI) anticipated declines in 1990 unit shipments of refrigerators, washers, dryers, electric and gas ranges, microwaves and dishwashers. The only gain predicted was for freezers. A 7% sales drop in 1989, and an 8% fall in 1990 were forecasted.

According to the National Housewares Manufacturers Association, manufacturers shipments of electric housewares reached approximately $8.8 billion in 1989.

The U.S. Dept. of Commerce forecasts that 1990 appliance and electric housewares value of industry shipments will fall 3.5% compared with 1989, measured in 1987 dollars.

According to the U.S. Dept. of Commerce, 1989 imports for all household appliances and electric housewares rose about 5.0% in value over 1988, to $3.3 billion. U.S. exports of these products grew about 5.4% over 1988 to about $1.6 billion.

MARKET TRENDS

Sales of major household appliances are driven by both new construction and replacement purchases. Private housing starts, which account for approximately 25% of the domestic appliance market, fell for the third straight year, declining 6% in 1989, to 1.4 million units. The value per unit, however, rose about 4%, favorably affecting the number and quality of appliances installed.

The need to replace appliances has also slowed down, as high quality products are produced. A surge in kitchen remodeling, as well as the desire by consumers to trade up old appliances for more upscale high-end lines, may be a major opportunity for the industry in the next few years. Baby boomers, generally in two-income families reaching middle age and the high income years, want and can afford appliances with advanced style, features, quality and durability. Appliances with advanced features that save time and effort, compared with more basic models, are worth the extra cost for many families. As a result, manufacturers have expanded their upscale product offerings in recent years, introducing high-end brands, or adding to their existing product lines.

The biggest trend in appliances is the "white glass" look, which has become the high-end color of choice. There is also a continuing shift to built-in, European products. For stoves and ranges, the trend is toward easy-to-clean, sealed glass-ceramic cooking surfaces and those that offer both gas and electric sources of heat. The trend in refrigerators is towards increased size, along with such features as ice makers and deeper door storage space. Dishwashers and clothes washers with larger capacity and prewash cycles, are also desired by consumers. Quiet operation for all appliances used in the general living area is very important.

Market Trends (continued)

Industry sources predict steady business and growth for specific segments, additional product features and increasing globalization of the industry to be the future of major appliances. Stricter government regulations and more intense competition can also be expected. Since 1982, major household appliances have become less expensive in relation to other household durables. The many mergers and acquisitions that have taken place in the industry has increased economies of scales for the remaining manufacturers, and has made the industry more competitive.

As consumer tastes become more sophisticated, the demand for upscale kitchen electrics is also growing. There is a special interest in higher-quality, Eurostyled, professional-looking housewares, with more functions. Manufacturers are responding by introducing products that work faster, and that feature electronics, timers and temperature sensors.

Changes in the industry from mergers and acquisitions at both the retail and manufacturing levels, to the advent of warehouse clubs and superstores, and the multiplicity of product categories have kept any one maker from dominating the small electrics scene as General Electric once did. Major players in the industry, such as Oster, Procter-Silex, Waring and Black & Decker, have been offering department stores a separate line of products from their mass market merchandise; with Toastmaster and Hamilton Beach, the latest mass market companies to offer department stores exclusive goods.

AT THE MANUFACTURER LEVEL

GENERAL INDUSTRY STATISTICS

Industry trends and forecasts for U.S. manufacturers of household appliances/electric housewares are compiled annually by the U.S. Department of Commerce, International Trade Administration. The following summary is from the 1990 U.S. Industrial Outlook.

Trends & Forecasts: Household Appliances (SIC 363)
(In millions of dollars except as noted)

	1990(f)	1989(e)	1988(e)	1987(p)
Value of industry shipments	--	$17,161	$16,941	$16,714
Value of shipments (1987$)	$16,265	16,858	16,935	16,714
Total employment (000)	116	119	120	118
Production workers (000)	92.0	95.5	95.0	93.0
Average hourly earnings ($)	--	11.09	10.96	10.68

	Percent Change		
	1990/89	1989/88	1988/87
Value of industry shipments	--	1.3%	1.4%
Value of shipments (1987$)	- 3.5%	- 0.5	1.3
Total employment (000)	- 2.5	- 0.8	1.7
Production workers (000)	- 3.7	- 0.1	2.8
Average hourly earnings ($)	--	1.2	0.6

(p) preliminary (e) estimated (f) forecast
Note: SIC 363 includes major appliances and electric housewares. See footnote on page 5.

Source: U.S. Department of Commerce,
International Trade Administration

The industry data reported above are adjusted to conform with findings thus far compiled by the Bureau of the Census for 1987 in the complete census of manufactures. A complete census of all U.S. manufacturing plants is taken by the Bureau every five years. In intercensal periods mail surveys are conducted among all known U.S. manufacturers to provide estimates on key measurements of manufacturing activity.

Overall information for the U.S. major appliance/electric housewares manufactures in preliminary 1987 census reports shows a decline of 64 plants in operation compared with the 1982 total, while total employment was down by 6,200, or 5%. The value of shipments of all products made in plants classified in this industry, plus contract work and other receipts, registered a gain of 35% in 1987 over 1982, to total $16.7 billion. All dollar figures are, however, in current dollars, without adjustment for inflation.

Overall Results For the Appliance/Electric Housewares Industry: 1982, 1986, 1987

	1987(p)	1986	1982	% Change 1987/82
Household Appliances & Electric Housewares (SIC 363)*				
Number of companies	na	na	441	--
Number of establishments, total**	475	471	539	-11.9%
Number with 20 or more employees	248	280	310	-20.0
Employees, total (thous.)	117.7	120.3	123.9	- 5.0
Production workers (thous.)	93.0	94.4	94.7	- 1.8
Payroll (mil. $)	$2,648.3	$2,627.0	$1,582.2	67.4
Value added by manufacture# (mil. $)	7,585.9	7,445.9	5,607.1	35.3
Value of industry shipments## (mil. $)	16,714.4	16,477.9	12,343.9	35.4
Capital expenditures, new (mil. $)	437.3	400.1	296.4	47.5
Machinery & equipment, new	na	339.7	na	--

na not available
(p) preliminary
Note: See footnotes on page 5.

In the following pages, information is reported for the Household Appliance (Major Appliance) segment of the industry, followed by data on Electric Housewares, based on information from the Census Bureau, Department of Labor and trade sources.

HOUSEHOLD APPLIANCES: GENERAL INDUSTRY STATISTICS

The value of industry shipments (in current dollars) of all major appliances rose sharply in 1987 compared with 1982. However, the growth rate was slow or remained flat compared with 1986, as the level of new home construction dropped and the replacement of appliances by consumers slowed.

HOUSEHOLD APPLIANCES: GENERAL INDUSTRY STATISTICS

The Major Appliance Industry: 1982, 1986, 1987

	1987(p)	1986	1982	% Change 1987/82
Household Cooking Equipment (SIC 3631*)				
Number of companies	na	na	71	--
Number of establishments, total**	79	82	88	-10.2%
Number with 20 or more employees	47	55	59	-20.3
Employees, total (thous.)	21.7	22.2	23.7	- 8.4
Production workers (thous.)	16.7	16.9	17.0	- 1.8
Payroll (mil. $)	$ 461.7	$ 461.9	$ 402.1	14.8
Value added by manufacture# (mil. $)	1,295.4	1,305.3	941.4	37.6
Value of industry shipments## (mil. $)	3,397.5	3,328.7	2,414.9	40.7
Capital expenditures, new (mil. $)	77.6	88.6	51.5	50.7
Machinery & equipment, new	na	73.5	41.9	--
Household Refrigerators, Freezers (3632*)				
Number of companies	na	na	39	--
Number of establishments, total**	49	48	50	- 2.0%
Number with 20 or more employees	26	29	30	-13.3
Employees, total (thous.)	25.7	23.9	22.4	14.7
Production workers (thous.)	21.6	20.1	18.4	17.4
Payroll (mil. $)	$ 650.7	$ 594.7	$ 441.2	47.5
Value added by manufacture# (mil. $)	1,450.4	1,427.2	1,032.3	40.5
Value of industry shipments## (mil. $)	3,518.9	3,352.8	2,470.7	42.4
Capital expenditures, new (mil. $)	100.3	84.9	79.1	26.8
Machinery & equipment, new	na	73.1	64.8	--
Household Laundry Equipment (SIC 3633*)				
Number of companies	na	na	15	na
Number of establishments, total**	17	21	25	-32.0%
Number with 20 or more employees	16	19	20	-20.0
Employees, total (thous.)	16.7	17.4	16.5	1.2
Production workers (thous.)	14.1	14.7	13.4	5.2
Payroll (mil. $)	$ 465.3	$ 452.3	$ 335.4	38.7
Value added by manufacture# (mil. $)	1,405.6	1,520.4	984.1	42.8
Value of industry shipments## (mil. $)	3,033.7	3,062.9	2,122.2	43.0
Capital expenditures, new (mil. $)	73.4	69.3	35.1	109.1
Machinery & equipment, new	na	63.3	31.9	--
Household Vacuum Cleaners & Floor Care (SIC 3635*)				
Number of companies	na	na	29	--
Number of establishments, total**	32	29	31	3.2%
Number with 20 or more employees	22	19	18	22.2
Employees, total (thous.)	12.3	11.5	8.4	46.4
Production workers (thous.)	8.3	7.5	5.2	59.6
Payroll (mil. $)	$ 260.4	$ 242.4	$ 151.1	72.3
Value added by manufacture# (mil. $)	851.5	702.8	463.6	83.7
Value of industry shipments## (mil. $)	1,555.0	1,337.3	775.7	100.7
Capital expenditures, new (mil. $)	69.1	46.7	17.1	304.1
Machinery & equipment, new	na	35.1	15.6	--

(continued)

HOUSEHOLD APPLIANCES: GENERAL INDUSTRY STATISTICS

The Major Appliance Industry: 1982, 1986, 1987
(continued)

	1987(p)	1986	1982	% Change 1987/82
Household Appliances, n.e.c. (SIC 3639*)				
Number of companies	na	na	70	--
Number of establishments, total**	75	79	83	- 9.6%
Number with 20 or more employees	38	45	49	-22.5
Employees, total (thous.)	16.0	16.7	14.2	12.7
Production workers (thous.)	13.1	13.9	11.4	14.9
Payroll (mil. $)	$ 396.6	$ 373.5	$ 252.4	46.4
Value added by manufacture# (mil. $)	1,218.8	1,053.8	673.8	80.9
Value of industry shipments## (mil. $)	2,400.5	2,280.1	1,432.0	67.6
Capital expenditures, new (mil. $)	60.2	44.9	40.6	48.3
Machinery & equipment, new	na	35.1	35.8	--

(p) preliminary
na not available
n.e.c. not elsewhere classified

* SIC (Standard Industrial Classification) definitions (1987) which determine the classification by industry of each plant (establishment):

363 The composite identifier for the appliance/electric housewares plants. (The electric housewares industry (SIC 3634), is separately covered in this Fact File.)

3631 Establishments primarily engaged in manufacturing household cooking equipment, such as stoves, ranges and ovens, including both electric and non-electric types. Also included in this category are barbecue grills and microwave ovens.

3632 Establishments primarily engaged in producing household refrigerators and home and farm freezers.

3633 Establishments primarily engaged in manufacturing laundry equipment such as washing machines, wringers, dryers, and ironers for household use. This industry also includes producers of coin-operated washers and dryers.

3635 Establishments primarily engaged in producing vacuum cleaners and sweepers for household use.

3636 Establishments primarily engaged in manufacturing sewing machines for domestic and industrial use.

3639 Establishments primarily engaged in manufacturing household appliances, not elsewhere classified, such as floor waxers and polishers, water heaters, dishwashers and food waste disposal units, and household sewing machines (formerly SIC 3636).

(footnotes continued)

HOUSEHOLD APPLIANCES: GENERAL INDUSTRY STATISTICS

(footnotes continued)

** Covers manufacturing establishments (plants) only, and each location is separately counted. Not included are separate auxiliary locations serving the plants (i.e. administrative offices, purchasing, sales offices, etc.). The establishment count for 1986 is from the Census Bureau's County Business Patterns.

Value added by manufacture is derived by subtracting the total cost of materials (including supplies, fuel, electric energy, cost of resales and miscellaneous receipts) from the value of shipments (including resales) and other receipts, and adjusting the resulting amount by the net change in finished products and work-in-process inventories between the beginning and the end of the year.

Value of industry shipments represents the net selling values, f.o.b. plant, after discounts and allowances, and excluding freight charges and excise taxes. It includes receipts for contract work, all items made by, or for, each establishment from materials owned by it, and also miscellaneous receipts. It also includes both primary and secondary products made in these industries. Shipments of appliances, only, by all producers, including manufacturers making them as secondary products, are covered in the section on SHIPMENTS.

Note: Dollar values are in terms of current dollars--not adjusted for inflation--this should be taken into account when comparing results for 1987 and 1982.

Source: U.S. Bureau of the Census:
1987, 1982 Census of Manufactures,
Industry Series MC87-1-36B (Preliminary)

Employment & Earnings

The Bureau of Labor Statistics reports on employment and earnings in specified manufacturing operations. Preliminary data for August 1989 compared with August 1988 show total employee and production worker declines; probably caused by a drop off in consumer demand for appliances, as the market becomes saturated, and depends on the need for replacement. The only gain, one percent, occurred in the number of employees in the household laundry equipment industry.

Employment & Earnings (continued)

Employment & Earnings in the Major Appliance Industry: 1987, 1988, 1989

	August	Annual Average		% Change	
	1989(p)	1988	1987	Annual 88/87	August 89/88(p)
Household appliances (SIC 363) (includes Electric Housewares)					
All employees (thous.)	137.8	139.2	137.0	1.6%	- 2.0%
Production workers (thous.)	110.0	111.8	108.7	2.9	- 2.6
Avg. weekly earnings	$402.11	$404.61	$395.17	2.4	1.6
Avg. hourly earnings	$ 10.18	$ 10.09	$ 9.83	2.6	1.1
Avg. weekly hours	39.5	40.1	40.2	- 0.3	0.5
Household refrigerators & freezers (SIC 3632)					
All employees (thous.)	27.9	29.1	29.0	0.3	- 6.1
Production workers (thous.)	22.9	23.7	23.5	0.9	- 5.0
Avg. weekly earnings	$456.23	$474.30	$455.31	4.2	- 3.6
Avg. hourly earnings	$ 11.85	$ 11.74	$ 11.27	4.2	0.7
Avg. weekly hours	38.5	40.4	40.4	-0-	- 4.2
Household laundry equipment (SIC 3633)					
All employees (thous.)	23.0	22.7	22.6	0.4	1.0
Production workers (thous.)	18.4	18.4	17.8	3.4	- 1.1
Avg. weekly earnings	$486.79	$479.14	$474.16	1.1	7.4
Avg. hourly earnings	$ 11.99	$ 11.86	$ 11.65	1.8	1.4
Avg. weekly hours	40.6	40.4	40.7	- 0.7	6.0

(p) preliminary

Note: BLS data on employment totals differs from Census Bureau data due to a difference in methodology in computing the figures. Separate employment and earnings statistics for the electric housewares industry are covered in the Electric Housewares section of this Fact File.

Source: U.S. Bureau of Labor Statistics: Employment & Earnings

The Bureau of Labor Statistics has issued employment benchmarks for industry segments not covered in monthly and annual reports, including specified household appliances. The figures are as of March, and cover the years 1981 through 1988.

HOUSEHOLD APPLIANCES: GENERAL INDUSTRY STATISTICS

Employment & Earnings (continued)

Employment Benchmarks for Specified Appliance Manufacturers: March 1981-1988
(In thousands)

Industry segment	1988	1987	1986	1985	1984	1983	1982	1981
Household cooking equipment (SIC 3631)	21.6	21.9	21.6	22.9	28.7	23.9	22.9	24.0
Other household appliances (SIC 3635,6,9)	27.1	27.8	27.4	28.6	28.9	26.1	26.6	32.3

Source: U.S. Bureau of Labor Statistics:
Employment & Earnings (June 1989)

HOUSEHOLD APPLIANCES: SHIPMENTS

In the 1990 U.S. Industrial Outlook, the Department of Commerce/International Trade Administration reported trends and forecasts on the value of U.S. manufacturers shipments of major appliances and electric housewares. In contrast with the data reported on page 1 covering industry shipments, these values cover shipments by all U.S. producers, regardless of the plants' primary SIC classifications. The summary below includes the value of household appliances and electric housewares.

Value of Household Appliances/Electric Housewares Shipped By All U.S. Producers
(In millions of dollars)

	1990(f)	1989(e)	1988(e)	1987(p)	Percent Change 1990/89	Percent Change 1989/88
Household appliances/ Electric housewares (SIC 363)						
In current dollars	--	$15,916	$15,717	$15,516	--	1.3%
In 1987 dollars	$15,090	$15,640	$15,715	$15,516	-3.5%	- 0.5

(f) forecast (e) estimate (p) preliminary

Source: U.S. Department of Commerce,
International Trade Administration:
1990 U.S. Industrial Outlook

HOUSEHOLD APPLIANCES: SHIPMENTS

Domestic shipments of household appliances/electric housewares in 1989, were valued at $15.9 billion (in current dollars) and $15.6 billion (in 1987 dollars). The forecast for 1990, in 1987 dollars, $15.1 billion, showed a 0.5% decline from the previous year.

Shipments during the first six months of 1989 showed surprising strength especially for such products as microwave ovens, refrigerators, and laundry equipment. However, as the year progressed these initial gains turned into declines for several appliance products, according to the Department of Commerce.

An internal study conducted by White Consolidated Industries (WCI) gave projections on shipments in units for eight major appliance categories for 1990. According to this data, declines in seven of the categories were anticipated, caused by the saturation of the market for these appliances, as well as a fall in demand for replacement products. The only gain (0.2%) was noted in freezers.

Forecast of Major Appliance Shipments: 1990

Product	1990 Units (In thous.)	% Change 1990/89
Refrigerators	6,300	- 2.0%
Freezers	1,200	0.2
Washers	5,300	- 3.4
Dryers	4,150	- 3.4
Electric Ranges	2,800	- 3.7
Gas Ranges	1,900	- 3.1
Microwaves	9,200	- 7.2
Dishwashers	3,500	- 2.6

Source: White Consolidated Industries (WCI),
HFD (Dec. 4, 1989)

The total value of shipments of specified household appliances by all producers from preliminary data developed in the 1987 census of manufactures, compared with 1982 census reports, is noted below. (The value of shipments is f.o.b. plant.) This value increased in all measured categories in terms of current dollars, without adjustment for inflation.

Quantity & Value of Shipments of Household Appliances By All U.S. Producers: 1982, 1987

(Quantity in millions, value in millions of current dollars)

	No. of Companies With Shipments of $100,000 or More		Product Shipments Value**	
	1987	1982	1987(p)	1982
Household cooking equipment (SIC 3631)	na	na	$3,232.5	$2,346.3
Electric (incl. microwave) ranges, ovens, surface cooking units, equip. & parts	na	30	1,999.1	1,543.2
Gas ranges, ovens, surface cooking units equip. & parts	na	22	678.2	418.8
Household cooking equip., n.s.k.	na	na	17.1	13.7
Household refrigerators & freezers (SIC 3632)	na	na	3,322.1	2,201.7
Mechanical refrigerators, incl. refrigerator-freezers	18	14	3,004.5	1,786.9
Food freezers	9	10	230.1	311.2
Refrigerators & freezers, n.s.k.	na	na	10.6	11.6
Household laundry equipment (SIC 3633)	na	na	2,789.4	1,800.2
Laundry machines, incl. washing machines, dryers	6	14	2,581.5	1,593.7
Household appliances, n.e.c. (SIC 3639)	na	na	2,286.1	(D)
Water heaters, electric	10	15	388.9	300.8
Water heaters, except electric	12	13	541.5	390.5
Dishwashers, food waste disposers, compactors, sewing machines & others	15	na	1,211.8	(D)
Household appliances, n.e.c., n.s.k.	na	na	45.4	21.6

(continued)

Quantity & Value of Shipments of Household Appliances By All U.S. Producers: 1982, 1987

(Quantity in millions, value in millions of current dollars)
(continued)

	No. of Companies With Shipments of $100,000 or More		Quantity		Product Shipments Value**	
	1987	1982	1987	1982	1987(p)	1982
Household vacuum cleaners (SIC 3635)	na	na	--	--	1,297.3	905.8
Vacuum cleaners (incl. parts & attachments)						
Hand type	7	8	6,778.9	na	154.7	38.2
Cannister/tank type	9	13	na	2,912.0	409.5	323.1
Upright/stick-type	9	9	6,122.3	4,863.8	530.4	296.7
Other general-purpose type, incl. utility	2	7	(D)	835.6	(#)	42.7
Complete power units, central system type	5	9	na	558.6	13.6	98.6

na not available
(#) Value is included in the cannister/tank type category.
(D) Data withheld to avoid disclosing data for individual companies.
** f.o.b. plant
(p) preliminary
n.s.k. not specified by kind
n.e.c. not elsewhere classified

Source: U.S. Bureau of the Census:
1987 Census of Manufactures,
MC 87-1-36B (Preliminary)

Information on quantity and value of shipments of household appliances and parts is developed annually through a mail survey by the Census Bureau among a panel consisting of all known manufacturers--approximately 113 companies. Results of the Current Industrial Reports surveys are subject to revision based on findings in the complete 1987 Census of Manufactures.

HOUSEHOLD APPLIANCES: SHIPMENTS

Quantity & Value of Shipments by All Producers of Major Household Appliances: 1987, 1988

	Quantity (Thous. Units)		% Change	Value (Mil. $)		% Change
	1988(p)	1987(p)	1988/87	1988(p)	1987(p)	1988/87
Major Appliances (excl. parts) total*	--	--	--	$21,005.4	$20,781.4	1.1%
Electric ranges, ovens and surface cooking units, including parts	7,943.7	8,300.3	- 4.3%	1,809.2	1,963.9	- 7.9
Surface cooking tops	409.6	432.2	- 5.2	79.5	80.5	- 1.2
Drop-in ranges	183.2	217.9	- 15.9	64.9	73.7	-11.9
Microwave ranges and ovens, excl. portables	88.6	132.8	- 33.3	88.7	110.8	-20.0
Microwave ovens, portable	4,415.2	4,476.4	- 1.4	629.5	630.4	- 0.1
Gas household ranges, ovens and surface cooking units, incl. parts	2,174.1	2,286.5	- 4.9	648.5	666.5	- 2.7
Surface cooking tops	205.5	231.6	- 11.3	46.5	46.2	0.7
Other household ranges and cooking equipment (excl. gas and electric) and outdoor cooking equip.	10,396.7	10,022.2	3.7	546.0	533.5	2.3
Outdoor barbecues, grills, etc.,						
Permanently installed units	67.6	66.8	1.2	12.2	11.4	7.0
Portable units	10,329.1	9,955.4	3.8	480.6	475.3	1.1
Household refrigerators, incl. refrig.-freezer combinations	7,536.2	7,231.3	4.2	3,156.5	3,017.2	4.6
Food freezers, complete units, household type	1,179.2	1,049.7	12.3	252.7	228.0	10.8
Household laundry machines	X	X	--	2,887.8	2,790.4	3.5
Washing machines, mechanical #	6,589.1	6,099.9	8.0	1,802.2	1,692.2	6.5
Dryers, mechanical:						
Gas	1,037.0	1,019.9	1.7	234.7	231.0	1.6
Electric	3,270.1	3,229.7	1.3	630.0	622.1	1.3
Dishwashing machines:						
Portable, including convertible type	285.8	274.3	4.2	71.4	72.5	- 1.5
Built-in type	3,586.2	3,838.7	- 6.6	809.7	834.3	- 3.0

(continued)

Quantity & Value of Shipments by All Producers of Major Household Appliances: 1987, 1988
(continued)

	Quantity (Thous. Units)		% Change	Value (Mil. $)		
	1988(p)	1987(p)	1988/87	1988(p)	1987(p)	% Change 1988/87
Household floorwaxing, polishing, scrubbing & shampooing machines	1,083.4	1,149.3	- 5.7%	56.2	64.5	-12.9%
Food waste disposers	3,290.7	3,272.8	0.6	163.6	160.8	1.7
Household trash compactors	227.1	215.0	5.6	48.3	47.1	2.6
Water heaters, electric	3,760.6	3,700.9	1.6	398.0	382.7	4.0

* Includes parts not separately listed.
(X) not applicable
(D) Data withheld to avoid disclosing figures for individual companies.
(p) preliminary
# Includes washing machines with dishwasher attachments (coin & non-coin operated).

Source: U.S. Bureau of the Census:
Current Industrial Reports,
Major Household Appliances, MA-36F(88)-1

According to the Association of Home Appliance Manufacturers, total major appliance unit shipments declined 1.1% in 1989 versus 1988, totalling 48.7 million units for the year, down from the 49.3 million units of 1988.

Although most product categories did not surpass their year-ago levels, automatic washers established a new annual record at 6.3 million units, and disposers achieved their second largest annual shipment ever.

Strong consumer demand propelled shipments at record pace in the first half of the year, but by the third quarter, demand slowed considerably and remained at lower levels for the year's balance.

Softened demand is expected to continue in 1990, with shipments approaching 48 million units, according to the latest industry forecast.

HOUSEHOLD APPLIANCES: SHIPMENTS

Major Home Appliance Industry Shipments*
(In thousands of units)

	1989	1988	% Change 1989/88
All Major Appliances**	49,733.8	49,297.2	- 1.1%
Cooking, total	15,650.6	16,237.4	- 3.6
Electric ranges, total	3,048.5	3,201.7	- 4.8
Free-standing	2,400.5	2,566.2	- 6.5
Built-in	648.1	635.4	2.0
Gas ranges, total	2,167.1	2,227.0	- 2.7
Free-standing	2,054.8	2,100.5	- 2.2
Built-in	112.3	126.5	-11.2
Microwave ovens/ranges***	10,598.2	10,987.9	- 3.5
Home laundry, total	10,825.4	10,791.1	0.3
Automatic washers	6,251.5	6,190.4	1.0
Dryers, total	4,573.9	4,600.7	- 0.6
Electric	3,522.2	3,553.9	- 0.9
Gas	1,051.7	1,046.8	0.5
Kitchen clean up, total	8,244.4	8,382.6	- 1.6
Disposers	4,362.8	4,232.6	3.1
Dishwashers, total	3,668.3	3,907.4	- 6.1
Built-in	3,455.8	3,647.4	- 5.3
Portable	212.6	260.0	-18.2
Compactors	213.2	242.6	-12.1
Food preservation, total	8,317.4	8,565.8	- 3.0
Refrigerators	7,098.8	7,227.0	- 1.8
Freezers, total	1,218.6	1,348.7	- 9.6
Chest	677.4	726.6	- 6.8
Upright	541.2	622.2	-13.0
Home comfort, total	5,696.0	5,310.3	7.3
Room air conditioners	5,091.1	4,637.3	9.8
Dehumidifiers	604.9	673.0	-10.1

* Domestic plus export shipments: includes both U.S. produced and imported products.

** Numbers do not add because of overlapping product categories.

*** Includes microwave ovens and combination microwave ovens/ranges.

Source: Association of Home Appliance Manufacturers

HOUSEHOLD APPLIANCES: SHIPMENTS

Market Shares

HFD (The Weekly Home Furnishings Daily Newspaper) reported on 1988 market share, by brand name, for each of the major appliance product categories. The market shares represent the number of brand name units marketed by manufacturers; not the units manufactured, but the units sold under given brand names. These statistics are gathered from industry analysts and consultants, as well as from the Association of Home Appliance Manufacturers (AHAM).

Manufacturers' Market Shares of Major Appliance Brands
(Based on unit sales by brand name)

Dishwashers

Brand	Market Share
General Electric	30.0%
Whirlpool/Kitchen Aid	23.0
Sears Kenmore	20.0
Hotpoint	6.3
Maytag	6.0
WCI	5.7
Caloric	3.0
Magic Chef	2.0
Tappan	2.0
Thermador/Waste King	1.0
Other	1.0

Refrigerators

Brand	Market Share
General Electric	23.0%
Sears Kenmore	19.0
Whirlpool	14.9
Hotpoint	7.2
Frigidaire	6.9
Amana	5.6
Montgomery Ward	4.8
White-West	4.5
Kelvinator	2.3
Magic Chef	2.3
Other	9.5

Automatic Washers

Brand	Market Share
Sears Kenmore	33.4%
Whirlpool	18.1
Maytag	12.6
General Electric	12.0
Hotpoint	4.4
White-Westinghouse	4.2
Frigidaire	3.4
Montgomery Ward	2.9
Other	9.0

Microwave Ovens

Brand	Market Share
Sears Kenmore	14.0%
Sharp	13.0
General Electric	11.0
Panasonic	6.0
Litton	5.0
Goldstar	5.0
Emerson	5.0
Tappan	5.0
Other	36.0

Electric Ranges

Brand	Market Share
General Electric	24.0%
Sears Kenmore	16.0
Whirlpool/Kitchen Aid	14.5
Caloric	8.0
Magic Chef	7.0
Frigidaire	6.0
Hotpoint	6.0
White-Westinghouse	5.0
Tappan	4.0
Jenn-Air	2.0
Other	7.5

Gas Ranges

Brand	Market Share
Magic Chef	17.0%
Caloric	16.0
Tappan	14.0
Sears Kenmore	13.8
General Electric	13.4
Whirlpool/Kitchen Aid	5.7
Montgomery Ward	4.2
Roper	2.4
Hotpoint	2.4
Other	11.1

(continued)

HOUSEHOLD APPLIANCES: SHIPMENTS

Market Shares (continued)

Manufacturers' Market Shares of Major Appliance Brands
(Based on unit sales by brand name)
(continued)

Room Air Conditioners	
Brand	Market Share
Fedders	20.0%
Sears Kenmore	18.0
WCI	14.0
General Electric	12.0
Emerson Quiet Cool	8.0
Whirlpool	7.0
Carrier	5.0
Amana	4.6
Friedrich	4.5
Other	6.9

Source: HFD magazine (Fairchild Publications),
(March 20, 1989)

HOUSEHOLD APPLIANCES: FOREIGN TRADE

The overall value of imports and exports of household appliances/electric housewares have increased annually from 1987 to 1989. In 1989, estimated 17% of new supply were imports; and exports made up approximately 10% of shipments, up from about 7% in 1987, according to the U.S. Department of Commerce/International Trade Administration.

Household Appliances/Electric Housewares Imports and Exports: 1987-1989
(In millions of current dollars)

				Percent Change	
	1989(e)	1988	1987	1989/88	1988/87
Household appliances/electric housewares (SIC 363)					
Value of imports*	$3,283	$3,128	$2,900	5.0%	7.9%
Import/new supply ratio**	0.171	0.166	0.157	3.0	5.7
Value of exports***	$1,629	$1,546	$1,119	5.4	38.2
Exports/shipments ratio	0.102	0.090	0.072	4.1	36.1

(e) estimate
* Customs value (price paid when sold for export)
** New supply is the sum of product shipments plus imports.
***f.a.s. (free alongside ship)

Source: U.S. Department of Commerce/
International Trade Administration
1990 U.S. Industrial Outlook

HOUSEHOLD APPLIANCES: FOREIGN TRADE

New Supply

Shipments, Exports, Imports and Apparent Consumption of Major Appliances: 1988

(Quantity in thousands of units; value in millions of dollars)

	Manufacturers' Shipments		Exports of Domestic Merchandise		Imports for Consumption**		Apparent Consumption***	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Electric ranges & ovens (other than microwave)	3,339.9	$947.4	57.7	$19.4	na	na	na	na
Microwave ranges & ovens	4,603.8	716.2	581.9	86.5	7,211.6	$625.7	11,233.5	$1,268.0
Refrigerators and combination refrigerators-freezers	7,536.2	3,156.5	566.7	268.1	2,151.6	221.4	9,121.1	3,148.9
Food freezers, household type	1,179.2	252.7	40.4	15.9	181.0	50.6	1,319.8	289.7
Washing machines, household type	6,589.1	1,802.2	439.7	136.6	736.8	23.3	6,886.2	1,688.9
Dryers, household type	4,449.8	914.3	126.0	40.3	57.5	10.9	4,381.3	890.8
Dishwashing machines, household type	3,872.0	881.1	67.5	20.5	na	na	na	na
Food waste disposers	3,290.7	163.6	273.2	17.8	na	na	na	na
Household trash compactors	227.1	48.3	--	14.8	na	na	na	na

na not available

* Value of exports is the value at port of exportation.

** Value of imports is the value at first port of entry, including cost, insurance, freight, plus duty.

*** Apparent consumption is derived by subtracting exports from the total of manufacturers' shipments plus imports. It represents total new supply in the domestic market.

Source: U.S. Bureau of the Census: Current Industrial Reports (MA36F)

HOUSEHOLD APPLIANCES: FOREIGN TRADE

Imports

Imports' Share of New Supply of Selected Major Appliances: 1985, 1988

	1988		1985	
	Quantity	Value	Quantity	Value
Microwave ovens, ranges	84%	49%	74%	49%
Refrigerators, refrigerator/freezers	24	7	18	6
Food freezers, household type	14	17	10	12
Washing machines, household types	11	1	2	3
Dryers, household type	1	1	Less than 0.1%	

Source: U.S. Bureau of the Census:
Current Industrial Reports (MA36F)

According to the U.S. Department of Commerce, 1989 imports for all household appliances/electric housewares (SIC 363), rose an estimated 5.0% in C.I.F. value over 1988, to $3.3 billion. The leading suppliers to the U.S. were Japan, South Korea, Taiwan and Mexico. Japan, South Korea and Taiwan all recorded declines in their share of the U.S. import market in 1989, which was 40.3%, down from 46.4% in 1988. China and Mexico, on the other hand, increased their shares by about the same total percentage.

In recent years, imports from Japan have been losing ground to imports from low-wage developing countries, as well as to increased production in Japanese owned U.S. plants. Imports from South Korea and Taiwan appear to have been affected by the loss of eligibility for duty-free treatment under the Generalized System of Preferences (GSP) at the beginning of 1989.

Imports of cooking equipment and refrigerators both decreased about 10%, with declines in imports from Japan and South Korea accounting for much of the drop. Vacuum cleaner imports, however, increased about 40% over 1988, led by strong gains for China and Mexico.

A break-out of U.S. imports of specified major appliances was given by the Commerce Department for 1988 versus 1987. This data shows a drop in imports of washing machines, dryers and microwave ovens, reflecting the drop in consumer demand for these appliances. Gains were noted in vacuum cleaner and cooking appliance imports.

Imports (continued)

U.S. Imports of Specified Major Appliances: 1987, 1988

	Quantity (Thous. units)		% Change	Value* (Mil. $)		% Change
	1988	1987	1988/87	1988	1987	1988/87
Washing machines, except commercial & industrial	65.4	68.6	- 4.7%	$ 16.7	$ 15.4	8.4%
Clothes dryers	57.5	150.7	-61.8	10.4	23.2	-55.2
Vacuum cleaners, electro-mechanical	4,814.3	4,768.3	1.0	112.2	99.3	13.0
Microwave ovens	6,406.8	7,477.2	-14.3	579.1	677.3	-14.5
Electric stoves & ranges, nspf	--	--	--	233.9	280.0	-16.5
Portable cooking & food-warming appliances, nspf	2,593.1	2,282.8	13.6	58.5	46.4	26.1
Electro-thermic appliances, nspf	12,715.7	10,070.1	26.3	195.2	132.8	47.0

* The C.I.F. value represents the value of imports at the first port of entry in the U.S.. It is based on the purchase price and includes all freight, insurance and other charges (excluding U.S. import duties) incurred in bringing the merchandise from the country of exportation and generally placing it alongside the carrier at the first port of entry in the U.S.

nspf not specifically provided for

Source: U.S. Department of Commerce:
U.S. General Imports (FT 135)
December 1987, 1988

Exports

1989 U.S. exports of appliances/electric housewares (SIC 363) rose about 5.4% over 1988, to $1.6 billion, only slightly more in percentage terms than the 5.0% rise in imports, according to the International Trade Administration. In the previous year, export growth had exceeded import growth by nearly five times, and was 40% to 50% higher between 1985 and 1989, when the value of the U.S. dollar declined relative to the currencies of its trading partners. The recent rise in the dollar value may be the cause of the slower growth rate in exports.

The leading export markets for U.S. appliance manufacturers in 1989 were Canada, Mexico, Taiwan, West Germany, and the United Kingdom. Exports to Canada and Mexico grew at a faster rate than total exports due to the lowering of tariff barriers between the U.S. and those two countries. Under the U.S.-Canada Free Trade Agreement, tariffs between Canada and the U.S. are to be cut, and eventually eliminated by 1998. While most tariffs for appliances are being cut over a ten year period beginning in 1989, some are being cut over a five year period, and others were eliminated in 1989.

HOUSEHOLD APPLIANCES: FOREIGN TRADE

Exports (continued)

The export of appliance parts to Mexico has also increased rapidly as more Mexican plants assemble U.S. parts into appliances, often for the U.S. market. Exports to Canada and Mexico are expected to continue to grow in importance as their economies become more integrated with the U.S. economy.

Data from the U.S. Department of Commerce, which compares 1988 exports to 1987 for specified major appliances, shows an overall gain in almost all categories in both quantity and value. The highest growth occurred for air conditioners, household refrigerators and freezers.

Exports of Specified Major Appliances: 1987, 1988

	Quantity (Thous. units)		% Change	Value* (Mil. $)		% Change
	1988	1987	1988/87	1988	1987	1988/87
Nonportable cooking & food warming appliances	591.4	304.0	94.5%	$27.6	$22.8	21.1%
Nonportable electrothermic kitchen & household appliances	262.6	263.2	- 0.2	15.4	11.2	37.5
Air conditioners, window & wall type	231.4	112.1	106.4	77.7	40.1	93.8
Washing machines, automatic except commercial	402.9	247.2	63.0	123.7	77.5	59.6
Clothes dryers, household type	114.6	66.5	72.4	32.5	19.9	63.4
Refrigerators & refrigerator-freezers, household	566.7	249.3	127.3	268.1	125.2	114.1
Freezers, household	40.4	22.6	78.8	15.9	10.2	55.9
Dishwashers, household	67.5	57.8	16.8	20.5	19.3	6.2
Vacuum cleaners, electro-mechanical	740.6	424.5	74.5	55.2	36.7	50.4
Floor polishers, electro-mechanical & parts thereof	--	--	--	19.7	12.8	53.9
Microwave ovens, household	581.9	474.7	22.6	86.5	68.5	26.3
Electric cooking stoves & ranges, nspf	57.7	48.6	18.9	19.4	16.8	15.5
Food waste disposers, electro-mechanical	273.2	193.0	41.6	17.8	13.8	29.0
Storage water heaters, electric	74.3	55.3	34.4	8.6	7.2	19.4

* f.a.s. (free alongside ship) value at the U.S. port of export. It is based on the transaction price, including inland freight, insurance and other charges incurred in placing the merchandise alongside the carrier at the U.S. port of exportation. It excludes the cost of loading the merchandise aboard the carrier, as well as freight, insurance and any other charges or transaction costs beyond the port of exportation.

Source: U.S. Department of Commerce:
U.S. General Exports (FT 410)
December 1987, 1988

HOUSEHOLD APPLIANCES: PRODUCER PRICE TRENDS

Factory prices rose for all measured household appliances as of preliminary Nov. 1989 data compared with Nov. 1988, with an overall 2.8% increase for all appliances. All indexes were higher than reported at the end of 1988 on a seasonally unadjusted base.

Producer (Factory) Price Levels For Specified Major Appliances
(Indexes: 1982 = 100)

	Seasonally Unadjusted Indexes		% Change Nov. 1989 Over	
	Nov. 89(r)	Dec. 88(r)	Nov. 88	Oct. 89
All major appliances	108.4	104.9	2.8%	- 0 -
Cooking equipment	102.8	100.8	2.0	0.2%
Free-standing electric ranges	103.0	101.4	0.7	0.1
Built-in cooking tops, electric	106.1	102.1	3.9	- 0 -
Portable microwave ovens	72.6	na	na	- 0 -
Free-standing gas ranges	108.7	106.7	2.1	- 0 -
Laundry equipment	111.6	107.8	3.6	0.2
Automatic washing machines	107.2	105.2	1.6	- 0.2
Electric dryers	113.3	110.8	2.7	- 0.3
Refrigerator-freezer 14.5-19.4 cubic feet	110.3	107.3	2.8	na
Room air conditioners	na	112.2	na	na
Household vacuum cleaners, including parts and attachments	110.1	106.3	3.8	0.3

na not available (r) revised

Source: U.S. Bureau of Labor Statistics

Producer Price Indexes For Major Appliances: Annual Averages, 1979-1988

	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
Refrigerators & freezers (Base = 12/81)	82.4	88.0	96.3	104.4	108.0	109.9	111.0	108.7	107.9	108.3
Laundry equipment (12/79)	--	105.5	113.5	122.3	126.3	128.7	129.8	130.6	130.7	131.1
Sewing machines (12/83)	77.4	82.4	93.6	98.6	99.6	100.5	101.2	104.6	108.7	110.6
Vacuum cleaners (12/82)	86.3	94.1	96.9	100.9	101.9	104.2	106.8	107.1	106.0	107.5
Hshld. appliances n.e.c. (12/82)	--	--	--	--	104.3	106.8	108.1	109.3	106.5	108.6

n.e.c. not elsewhere classified

Source: U.S. Dept. of Labor:
Handbook of Labor Statistics
(August 1989)

HOUSEHOLD APPLIANCES: THE HOMEBUILDER MARKET

A downturn in new housing starts and sales in 1989 adversely affected shipments of such appliances as dishwashers and ranges, both of which are included in about 93% of the sale price of new homes.

Selected Appliances Included in the Sale Price of New One-Family Houses, by Region: 1987, 1988
(Number of houses are in thousands)

	1988		1987	
	No. of Houses	% of Total	No. of Houses	% of Total
U.S., total	676	100.0%	671	100.0%
Appliances:				
Stove	633	94	631	94
Dishwasher	630	93	621	93
Refrigerator	123	18	138	21
Northeast, total	101	100.0%	117	100.0%
Appliances:				
Stove	94	93	111	95
Dishwasher	94	93	108	92
Refrigerator	27	27	35	30
Midwest, total	97	100.0%	97	100.0%
Appliances:				
Stove	71	73	73	75
Dishwasher	81	83	80	83
Refrigerator	17	18	17	18
South, total	276	100.0%	271	100.0%
Appliances:				
Stove	268	97	263	97
Dishwasher	257	93	255	94
Refrigerator	70	26	78	29
West, total	202	100.0%	186	100.0%
Appliances:				
Stove	201	99	184	99
Dishwasher	198	98	178	96
Refrigerator	9	4	10	5

Source: U.S. Bureau of the Census:
Characteristics of New Housing: 1987, 1988
C25-88-13

HOUSEHOLD APPLIANCES: THE HOMEBUILDER MARKET

Selected Appliances Included in New One-Family Houses By Sales Price: 1988

	Percent of Houses Sold With:		
	Stoves	Dishwashers	Refrigerators
Sale price of house:			
Under $60,000	78%	64%	14%
$60,000-$79,999	92	90	14
$80,000-$99,999	93	95	15
$100,000-$149,999	96	96	17
$150,000-$199,999	97	97	20
$200,000 & over	97	98	26

Source: U.S. Bureau of the Census:
Characteristics of New Housing: 1988
C25-88-13

In addition to the new-house market for major appliances, a large market also exists, of course, in motels, hospitals, schools and other institutions. This Fact File is, however, just concerned with the household market for home appliances and does not cover these contract markets.

ELECTRIC HOUSEWARES: GENERAL INDUSTRY STATISTICS

The introductory section of this Fact File included a composite table on plants manufacturing major appliances and electric housewares (see page 1). Available figures for the electric housewares segment, alone, are covered in this section.

Electric Housewares & Fans (SIC 3634*)

	1987(p)	1986	1982	% Change 1987/82
Number of companies	na	na	217	na
Number of establishments, total**	223	212	262	-14.9%
Number with 20 or more employees	99	113	134	-26.1
Employees, total (thous.)	25.3	28.6	38.7	-34.6
Production workers (thous.)	19.2	21.3	29.3	-34.5
Payroll (mil. $)	$ 440.6	$ 502.2	$ 539.1	-18.3
Value added by manufacture# (mil. $)	1,364.2	1,436.4	1,511.9	- 9.8
Value of industry shipments## (mil. $)	2,808.8	3,116.1	3,128.4	-10.2
Capital expenditures, new (mil. $)	56.7	65.7	73.0	-22.3
New machinery & equipment	na	56.4	na	--

(continued)

ELECTRIC HOUSEWARES: GENERAL INDUSTRY STATISTICS

(Footnotes from previous table)

na not available (p) preliminary

* SIC Industry Definition:

3634 Establishments primarily engaged in manufacturing electric housewares for heating, cooking, and other purposes. Important products of this industry include electric air heaters, fans, electrically heated bed coverings, blenders, broilers, deep fat fryers, flat irons, food mixers, hot plates, percolators, coffee makers and roasters. Also included in this industry are personal care electrics: hair curlers, hair dryers, massage machines, electric razors, sauna heaters, electric toothbrushes and water pulsating devices.

** Covers manufacturing establishments (plants) only. Each location is separately counted. Not included are separate auxiliary locations serving the plants (i.e. administrative offices, purchasing, sales offices, etc.). The establishment count for 1986 is from the Census Bureau's County Business Patterns.

Value added by manufacture is derived by subtracting the total cost of materials (including supplies, fuel, electric energy, cost of resales and miscellaneous receipts) from the value of shipments (including resales) and other receipts, and adjusting the resulting amount by the net change in finished products and work-in-process inventories between the beginning and the end of the year.

Value of industry shipments represents the net selling values, f.o.b. plant, after discounts and allowances, and excluding freight charges and excise taxes. It includes receipts for contract work, all items made by, or for, each establishment from materials owned by it, and also miscellaneous receipts. It also includes both primary and secondary products made in the industry. Value of shipments by all producers, (including secondary manufacturers of electric housewares) is covered on pages 25-27.

Source: U.S. Bureau of the Census:
1987, 1982 Annual Survey of Manufactures,
Industry Series MC87-1-36B (Preliminary)

GENERAL INDUSTRY STATISTICS: ELECTRIC HOUSEWARES

Employment & Earnings

As in the major appliances industry, declines in the total number of employees and production workers also occurred in the electric housewares industry, according to preliminary data as of August 1989 compared with August 1988. Decreases in earnings and hours were also reported. Gains as shown below, had been noted in 1988 averages compared with 1987.

Employment & Earnings in the Electric Housewares Industry:
1987, 1988, August 1989

	August	Annual Averages		% Change	
	1989(p)	1988	1987	August 1989/88(p)	Annual 1988/87
Electric Housewares and Fans (SIC 3634)					
All employees (thous.)	38.1	37.4	35.0	- 1.3%	- 6.9%
Production workers (thous.)	29.8	29.4	26.8	- 2.3	9.7
Avg. weekly earnings	$305.15	$305.11	$301.10	- 0.6	1.3
Avg. hourly earnings	$ 7.48	$ 7.46	$ 7.38	- 0.4	1.1
Avg. weekly hours	40.8	40.9	40.8	- 0.2	0.3

(p) preliminary

Source: U.S. Bureau of Labor Statistics: Employment & Earnings

The 1988 average for total employment was 6.7% below the 40.1 thousand averaged in 1983; production worker employment was 3.6% below 1983's average of 30.5 thousand.

ELECTRIC HOUSEWARES: SHIPMENTS

Shipments of electric housewares and fans were valued at nearly $2.6 billion in 1987. This includes shipments by all producers, regardless of their industry classification based on primary products. It is 9.0% lower than the value in 1982, and contrasts with the increases in value reported for all measured major appliances.

Shipments of Electric Housewares and Fans
By All U.S. Producers: 1982, 1987

(Value in millions of current dollars)

	No. of Companies With Shipments of $100,000 or More		Value of Shipments f.o.b. plant		% Change
	1987(p)	1982	1987(p)	1982	1987/82
Electric housewares & fans (SIC 3634)	na	na	$2,588.6	$2,845.6	- 7.0%
Electric fans, except industrial type	24	35	492.6	592.3	-16.8
Small electric household appliances	84	114	1,813.2	1,977.3	- 8.3
Electric housewares & fans, n.s.k.	na	na	95.6	65.4	46.2

(p) preliminary
na not available
n.s.k. not specified by kind

Source: U.S. Bureau of the Census:
1987 Census of Manufactures,
MC 87-136B (Preliminary)

Detailed information on the production of electric housewares and fans is developed annually by the Census Bureau through a mail survey among all known U.S. manufacturers, approximately 114 companies. Figures for 1987 have been revised by the Bureau based on more complete information produced in the complete census of manufactures.

The value of household electric appliances reported for 1988, at $1,941.5 million (which included electric razors/shavers) was 6.2% below the nine-year high of $2,069.8 million in 1980.

Quantity & Value of Shipments of Electric Housewares and Fans By Product: 1987, 1988

	Quantity (Thous. Units)		% Change	Value (Mil. $)		% Change
	1988	1987	1988/87	1988	1987	1988/87
Electric housewares and fans, reported total	--	--	--	$2,468.9	$2,302.8	7.2%
Small electric household appliances, except fans (including cordless)	--	--	--	1,941.5	1,810.3	7.2
Food preparation appliances:						
Broilers	358.1	350.0	2.3%	13.4	10.8	24.1
Automatic coffee makers, total	13,327.7	12,736.4	4.6	258.5	228.1	13.3
Deep fat fryers	1,969.6	2,145.9	- 8.2	27.4	28.9	- 5.2
Ovens and roasters	3,414.0	2,661.2	28.3	126.6	113.5	11.5
Hot plates and disc stoves (1,650 watts or less)	1,305.1	1,451.4	-10.1	17.0	18.4	- 7.6
Automatic toasters	13,583.3	8,754.4	55.2	157.3	108.4	45.1
Waffle irons, sandwich grills, griddles and combinations	1,251.1	1,372.2	- 8.8	27.4	28.0	- 2.1
Frying pans (skillets)	3,382.4	3,238.3	4.5	70.6	66.3	6.5
Corn poppers	2,403.5	3,079.7	-22.0	27.0	36.6	-26.2
Household food mixers, total	6,864.2	7,631.4	-10.1	205.0	195.2	5.0
Hand (portable) and stand type	3,398.8	3,601.4	- 5.6	132.1	110.1	20.0
Blenders & ice crushers	3,465.4	4,030.0	-14.0	72.9	85.1	-14.3
Household food processors and preparation appliances, except mixers	3,461.9	3,391.1	2.1	96.3	99.3	- 3.0
Can openers and other small electro-mechanical appliances	12,012.1	12,372.1	- 2.9	216.5	211.9	2.2

(continued)

Quantity & Value of Shipments of Electric Housewares and Fans
By Product: 1987, 1988
(continued)

	Quantity (Thous. Units) 1988	Quantity (Thous. Units) 1987	% Change 1988/87	Value (Mil. $) 1988	Value (Mil. $) 1987	% Change 1988/87
Electric irons (household and travel)	7,115.0	5,918.5	20.2%	96.2	86.8	10.8%
Electric heating pads	3,982.6	4,482.1	-11.1	33.8	41.0	-17.6
Hair dryers	(D)	543.3	--	(D)	8.1	--
Portable humidifiers	4,384.6	4,823.1	- 9.1	58.2	61.4	- 5.2
Air space heaters, total	3,933.3	3,434.5	14.5	82.0	69.5	18.0
Electric fans, except industrial	21,565.3	19,760.2	0.9	527.4	492.5	7.1
Desk & wall bracket	3,764.9	2,278.6	38.0	61.3	45.1	35.9
Window and roll abouts	6,963.6	6,647.0	4.8	109.1	100.6	8.4
Electric range hoods, total	2,570.5	2,673.8	- 3.9	105.7	106.3	- 0.6
Ceiling fans	3,548.8	3,402.3	4.3	150.2	148.0	1.5
All other household ventilating and exhaust fans, and other electric fans	4,717.6	4,308.5	9.5	101.1	92.5	9.3

* Includes electric housewares not separately reported, such as shavers, knives, toothbrushes, etc.

(D) Data withheld to avoid disclosing figures for individual companies.

Source: U.S. Bureau of the Census:
Current Industrial Reports,
Electric Housewares & Fans, MA36E(88)-1

Market Shares

The approximate 1988 percentage of products produced by each manufacturer for the U.S. electric housewares and personal care appliance market (including private brands) has been published by Appliance magazine in "A Portrait of the U.S Appliance Industry" Sept. 1989. The total unit sales for the year follow each product heading.

Market Shares (continued)

Manufacturers' Share of the Electric Housewares Market: 1988

Irons (15,245,000)	
Black & Decker	46%
Sunbeam	20
WearEver/Proctor-Silex	14
N.A.P.(Norelco)	9
Hamilton Beach	6
Others	5

Coffeemakers (Drip) (12,720,000)	
Mr. Coffee	22%
Black & Decker	18
Wear-Ever/Proctor-Silex	15
N.A.P. (Norelco)	10
Braun	8
Others	27

Toasters (8,850,000)	
Toastmaster	29%
Wear Ever/Proctor-Silex	25
Black & Decker	15
Farberware	10
Others	21

Toaster Ovens (3,100,000)	
Black & Decker	55%
Toastmaster	17
Wear Ever/Proctor-Silex	15
Robeson	1
Others	12

Blenders (4,600,000)	
Oster	32%
Hamilton Beach	26
Braun	20
Waring	12
Others	10

Can Openers (5,800,000)	
Rival	27%
Black & Decker	27
Sunbeam	9
Oster	6
Others	27

Food Processors (3,690,000)	
Sunbeam	24%
Hamilton Beach	16
Cuisinart	14
Others	46

Hand Mixers (4,700,000)	
Black & Decker	34%
Sunbeam	25
Hamilton Beach	13
Waring	8
Rival	6
Others	14

Source: Appliance magazine (Dana Chase Publications, Inc.)
"A Portrait of the U.S. Appliance Industry",
September, 1989

ELECTRIC HOUSEWARES: SHIPMENTS

Market Shares: Personal Care Appliances

Manufacturers' Share of the Personal Care Appliance Market: 1988

Hand-Held Hair Dryers (19,540,000)	
Conair	50%
Windmere (Save-Way)	12
Clairol	7
Sunbeam	7
N.A.P. (Norelco)	6
Others	18

Hair Setters (3,600,000)	
Clairol	58%
Conair	20
Windmere (Save-Way)	14
Others	8

Shavers (Men's) (7,000,000)	
N.A.P. (Norelco)	52%
Remington	30
Braun	12
Matsushita (Panasonic)	2
Others	4

Shavers (Women's) (1,920,000)	
Remington	38%
N.A.P. (Norelco)	22
N.A.P. (Schick)	11
Matsushita (Panasonic)	11
Others	18

Source: Appliance magazine (Dana Chase Publications, Inc.)
"A Portrait of the U.S. Appliance Industry",
September, 1989

ELECTRIC HOUSEWARES: FOREIGN TRADE

Imports

Information on overall imports of household appliances/electric housewares has been covered in the HOUSEHOLD APPLIANCE section. According to the U.S. Dept. of Commerce, overall imports of electric housewares rose about 30% in 1989 over 1988. This increase was led by strong gains for China and Mexico.

Data for 1988 versus 1987, given by the Commerce Dept. for imports of specified electric housewares, shows a significant increase for most categories. The biggest gains were reported in shavers, toasters and grinders.

Imports (continued)

Quantity & Value of Imports of Specified Electric Housewares and Personal Care Appliances: 1987, 1988

	Quantity (Thous. Units)			C.I.F. Value* (Mil. $)		
	1988	1987	% Change 1988/87	1988	1987	% Change 1988/87
Toasters	2,971.4	2,135.5	39.1%	$33.8	$21.8	55.1%
Coffee makers	6,411.3	5,778.3	11.0	96.2	78.7	22.2
Electric food blenders, food mixers and juice extractors	9,533.6	8,215.3	16.1	91.7	79.7	15.1
Electric food grinders, slicers and choppers	6,905.5	4,097.5	68.5	69.2	57.6	20.1
Electric fans, except for permanent installation	15,281.5	16,085.9	- 5.0	161.0	142.5	13.0
Electric flat irons	11,304.6	10,042.8	12.6	124.8	105.2	18.6
Electric shavers	15,150.1	4,894.8	209.5	141.1	80.2	75.9
Electric hair dryers	16,942.3	19,735.1	-14.2	104.5	104.3	0.2
Electric hair curlers	--	--	--	77.4	54.2	42.8
Can openers	6,119.6	5,049.0	21.2	41.0	32.8	25.0

na not available

* The C.I.F. (cost, insurance, freight) value refers to the value of imports at the first port of entry in the U.S. It is based on the purchase price, as well as all freight, insurance and other charges (excluding U.S. import duties), incurred in bringing the merchandise from the country of exportation and generally placing it alongside the carrier at the first port of entry in the U.S.

Source: U.S. Department of Commerce:
U.S. General Imports (FT135)
December 1985, 1986

Exports

Due to a rise in the value of the dollar against other foreign currencies, there was a slow down in the growth of 1989 U.S. exports of electric housewares compared to previous years when the dollar was not as strong.

Export data from 1988 versus 1987, shows significant gains in most categories, reflected in the weaker dollar value of the beginning of 1988.

ELECTRIC HOUSEWARES: FOREIGN TRADE

Exports (continued)

U.S. Exports of Specified Electric Housewares & Personal Care Appliances: 1987, 1988

	Quantity (Thous. of units)		% Change	Value* (Mil. of $)		% Change
	1988	1987	1988/87	1988	1987	1988/87
Food grinders, slicers, & choppers	69.2	47.5	45.7%	$ 4.8	$ 3.2	50.0%
Can openers, incl. combination units	126.3	59.6	111.9	1.7	0.8	112.5
Electric shavers	486.1	349.2	39.2	6.6	5.2	26.9
Flat irons, electric	352.6	166.0	112.3	3.4	1.6	112.5
Toasters, portable	772.9	728.6	6.1	9.6	9.1	5.5
Coffee makers, portable	920.7	684.7	34.5	13.3	11.2	18.8
Hair dressing appliances, electric	--	--	--	2.7	2.7	0
Portable electro-thermic kitchen & hsld. appliances	366.6	421.5	-13.0	13.0	18.9	-31.2
Electro-mechanical food blenders & mixers	1,093.0	520.4	110.0	25.9	14.4	79.9
Electro-mechanical appliances, nspf	874.0	517.6	68.9	32.3	23.0	40.4

* f.a.s. (free alongside ship) value
nspf - not specifically provided for

Source: U.S. Dept. of Commerce:
U.S. General Exports (FT 410)
December 1987, 1988

New Supply

In 1988, the value of imports of electric housewares represented 38% of total new supply on the domestic market. This is up from 28% in 1985. Fan imports accounted for 62% of new supply (manufacturers' value) in 1988 vs. 60% in 1985.

ELECTRIC HOUSEWARES: FOREIGN TRADE

New Supply (continued)

Shipments, Exports, Imports and Apparent Consumption of Specified Electric Housewares & Personal Care Appliances: 1988

(Quantity in thousands of units; value in millions of dollars)

	Manufacturers' Shipments		Exports of Domestic Merchandise	
	Quantity	Value	Quantity	Value*
Electric fans, except industrial	21,565.3	$ 527.4	x	$ 72.7
Small electric hsld. appliances, electro-thermal type	x	1,364.1	x	98.4
Coffeemakers	13,327.6	258.5	920.7	13.3
Toasters	13,583.3	157.3	772.9	9.6
Electric irons	115.0	96.2	352.6	3.4
Hsld. food mixers, food processors & food preparation appliances	10,326.1	301.4	1,162.2	30.7
Hair curlers, dryers & curling irons	(D)	(D)	na	2.7
Electric razors & dry shavers	(D)	(D)	486.1	6.6

	Imports for Consumption**		Apparent Consumption***	
	Quantity	Value	Quantity	Value
Electric fans, except industrial	x	$ 747.3	x	1,212.6
Small electric hsld. appliances, electro-thermal type	x	894.6	x	2,174.7
Coffeemakers	6,421.0	99.5	18,828.0	346.7
Toasters	2,961.3	34.2	15,771.6	183.3
Electric irons	11,295.2	125.5	18,057.6	218.8
Hsld. food mixers, food processors & food preparation appliances	16,363.8	166.1	25,527.7	441.3
Hair curlers, dryers & curling irons	16,914.1	313.9	na	na
Electric razors & dry shavers	15,145.4	146.1	na	na

	Imports % of New Supply	
	Quantity	Value
Electric fans, except industrial	--	62.0%
Small electric hsld. appliances, electro-thermal type	--	41.0
Coffeemakers	34.0%	29.0
Toasters	19.0	19.0
Electric irons	63.0	57.0
Hsld. food mixers, food processors & food preparation appliances	64.0	38.0
Hair curlers, dryers & curling irons	--	--
Electric razors & dry shavers	--	--

(continued)

ELECTRIC HOUSEWARES: FOREIGN TRADE

(footnotes from previous table)

(D) Data withheld to avoid disclosing figures for individual companies.
na not available
x not applicable
* Value of exports is the value at port of exportation.
** Value of imports is the value at first U.S port of entry, including cost, insurance, freight plus duty.
*** Apparent consumption is derived by subtracting exports from the total of manufacturers' shipments plus imports. It represents new supply in the domestic market.

Source: U.S. Bureau of the Census:
Current Industrial Reports,
Electric Housewares and Fans, MA 36E(88)-1

ELECTRIC HOUSEWARES: PRODUCER PRICE TRENDS

A comparison of the Sept. 1989 price index with Sept. 1988 shows a rise in producer prices of all measured electric housewares except food blenders and mixers and other household preparation appliances, where declines of 1.4% and 4.9% respectively were reported. Corn poppers showed the largest increase of 9.5%.

Prices of Sept. 1989 compared with the previous month either showed slight declines or no change at all.

Producer (Factory) Price Levels For Specified Electric Housewares

(Base 1982=100 unless otherwise noted)	Seasonally Unadjusted Indexes		% Change Nov. 1989 From	
	Nov. '89 (r)	Dec. ' 88	Nov. '88	Oct. '89
Electric housewares & fans	108.6	105.8	2.9%	- 0.2%
Small household appliances	108.1	106.4	1.8	- 0.1
Automatic coffee makers	99.7	98.2	1.5	- 0 -
Food blenders & mixers	98.4	99.7	- 1.3	na
All other household preparation appliances (6/83=100)	89.7	93.9	- 4.5	- 0.6
Corn poppers (6/87=100)	110.7	101.1	9.5	- 0 -
Portable room heaters (6/83=100)	107.2	106.0	1.3	- 0.8
Electric fans (12/82=100)	106.5	100.6	6.5	- 1.0

(r) revised

Source: U.S. Bureau of Labor Statistics

Annual Producer Price Indexes for Electric Housewares: 1979-1988

	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
Electric housewares & fans (Base = 12/82)	--	--	--	--	100.8	101.8	102.2	103.1	103.2	105.3
Household cooking equipment & parts (Base = 6/81)	86.7	94.4	100.1	105.5	109.8	111.8	113.2	108.6	109.1	107.6

Source: U.S. Dept. of Labor: Handbook of Labor Statistics,
August 1989

AT THE RETAIL LEVEL

THE CONSUMER MARKET

Housing starts declined in all regions of the country during the first ten months of 1989 compared with the same period in 1988. Total units fell 6% during this time period, from 1,280,900 to 1,203,800. Since 1980, home ownership has declined by 2 million households, with 63.8% of U.S. families currently owning homes, down from 65.8%. Instrumental in this decline was higher interest rates.

The slowdown in new housing starts has a significant effect on the household appliance industry, as new houses account for approximately a quarter of total demand.

New Privately Owned Housing Units Started: Annual 1987, 1988
First 10 Months 1988, 1989
(Thousands of units)

	First 10 Months			Annual		
	1989	1988	% Change 1989/88	1988	1987	% Change 1988/87
Privately owned housing starts	1,203.8	1,280.9	- 6.0%	1,488.1	1,620.5	- 8.2%
Northeast	157.1	205.9	-23.7	235.3	269.0	-12.5
Midwest	230.8	236.4	- 2.4	274.0	297.9	- 8.0
South	473.3	493.1	- 4.0	574.9	633.9	- 9.3
West	342.6	345.5	- 0.8	403.9	419.8	- 3.8

* Figures not seasonnally adjusted.

Source: U.S. Bureau of the Census: Construction Reports Division

The Bureau of Economic Analysis, Department of Commerce, measures the value of products reaching the consumer (personal consumption expenditures) as part of the National Income and Product accounts. In 1988, the value of expenditures for household and kitchen appliances reached $28,361 million, for a gain of 6.2% over 1987, 11% over 1986. In the first three quarters of 1989, spending was at an annual rate of $29.4 billion, 4.2% over the comparable 1988 average.

Included in personal consumption expenditures are purchases by consumers as well as the value of appliances supplied by builders in new privately-owned housing units. Landlord expenditures for appliances supplied in rental units, or furnished in other than privately-built housing are not included in personal consumption expenditures. However, separate figures for landlord supplied appliances valued at retail have been compiled by the BEA, as shown in the following table.

Personal Consumption Expenditures and Landlord Expenditures for Major Household Appliances and Electric Housewares: 1986, 1987, 1988

	In millions of current dollars			% Change
	1989(p)	1988(p)	1987(r)	1989/87
Kitchen & other appliances*	na	$31,594	$29,753	--
Personal consumption expenditures	$29,555	28,361	26,714	10.6%
Landlord expenditures	na	3,233	3,039	--

	In millions of 1982 dollars			% Change
	1989(p)	1988(p)	1987(r)	1989/87
Kitchen & other appliances*	na	$31,332	$29,683	--
Personal consumption expenditures	$29,128	28,127	26,653	9.3%
Landlord expenditures	na	3,205	3,030	--

(r) revised
(p) preliminary
* Includes refrigerators, freezers, cooking ranges, dishwashers, laundry equipment, air conditioners, sewing machines, vacuum cleaners, other appliances and electric housewares.

Source: U.S. Dept. of Commerce, Bureau of Economic Analysis

Household Expenditures For Appliances and Housewares

A pattern in household spending is developed by the U.S. Bureau of Labor Statistics through a quarterly survey among a representative sample of U.S. households (consumer units). Reports are issued covering the projected number of consumer households making a specified purchase on a quarterly basis, and the projected average annual expenditure for all U.S. consumer units, including in the base both purchasers and non-purchasers.

The reports cover the pattern in spending by age of reference person (household head), by household income group, by region, size of household, etc. The following report for 1987 covered a projected total of 94.2 million consumer units.

Household Expenditures For Appliances and Housewares (continued)

Projected Average Expenditures of Urban Households: 1987

	All Consumer Units	Household Reference Person (Head)				
		25-34	35-44	45-54	55-64	65-74
Number of consumer units* (In millions)	94.2	21.3	18.7	13.4	13.1	11.6
Major appliances #						
Mean expenditures	157.10	146.64	204.86	195.74	172.48	125.53
Percent reporting**	9.57	9.98	10.52	11.32	10.38	8.26
Refrigerators/freezers						
Mean expenditures	36.47	28.22	50.13	48.73	40.16	31.70
Percent reporting**	1.51	1.29	1.69	2.11	1.63	1.44
Washing machines						
Mean expenditures	17.52	11.30	22.10	25.12	27.16	14.76
Percent reporting**	1.06	.92	1.16	1.63	1.47	.82
Clothes dryers						
Mean expenditures	10.57	9.66	14.89	18.01	9.03	7.32
Percent reporting**	.77	.75	1.05	1.34	.60	.50
Cooking stoves & ovens						
Mean expenditures	18.30	12.24	25.76	24.23	26.41	15.03
Percent reporting**	.82	.59	.99	1.14	1.02	.72
Microwave ovens						
Mean expenditures	10.69	8.18	11.31	14.97	16.39	10.75
Percent reporting**	1.21	.97	1.24	1.62	1.68	1.31
Portable dishwashers						
Mean expenditures	.65	1.11	1.24	.16	.85	.06
Percent reporting**	.05	.05	.11	.03	.05	.02
Window air conditioners						
Mean expenditures	6.55	4.33	7.88	5.87	8.42	9.46
Percent reporting**	.49	.33	.66	.40	.68	.56
Sewing machines						
Mean expenditures	3.55	3.17	3.51	4.12	4.37	5.87
Percent reporting**	.36	.43	.33	.30	.41	.33
Small appliances/misc. housewares						
Mean expenditures	54.98	51.68	67.31	78.43	57.58	41.00
Percent reporting**	22.29	22.83	26.80	26.50	22.16	17.97
Small electric kitchen appliances						
Mean expenditures	14.92	12.92	19.08	19.34	16.30	14.12
Percent reporting**	8.93	8.62	10.56	10.79	9.44	7.81

(continued)

Household Expenditures For Appliances and Housewares (continued)

(Footnotes from previous table)

* A consumer unit is roughly equivalent to "households", although household members with their own income are separately counted. Older and younger age groups are included in the total.

** Equals the quarterly average percent of consumer units that reported spending for a specified product. Note, however, that mean expenditures are based on all consumer units.

# Major appliances includes refrigerators, freezers, dishwashers, stoves, ovens, garbage disposals, vacuum cleaners, microwaves, air conditioners, sewing machines, washing machines and dryers, and floor cleaning equipment.

## Small appliances/miscellaneous housewares includes small electric kitchen appliances, portable heating and cooling equipment, china & other dinnerware, flatware, glassware, silver & other sewing pieces, non-electric cookware, and plastic dinnerware. Excludes personal care appliances.

Source: U.S. Bureau of Labor Statistics:
Consumer Expenditure Survey, 1987

RETAIL SALES OF HOUSEHOLD APPLIANCES/ELECTRIC HOUSEWARES

The Census Bureau is the source of information on total retail sales of major appliances and electric housewares, as well as sales by major outlet type in reports based on the complete census of retail trade taken every five years. Results from the 1987 census will be issued by the Census Bureau late in 1990, according to the present schedule. Data based on the 1982 Census has been included in previous editions of this FACT FILE.

Product Sales

The total number of major appliances sold in 1988, based on Association of Home Appliances Manufacturers (AHAM) reports, was 49,237,400 units, an overall decrease of 1.5% from 1987.

Room air conditioners were the fastest growing product segment, climbing 22.1% in sales in 1988 compared with 1987, and a two year gain of 64.7%. Microwave oven sales, which peaked in 1987, dropped by 12.9% in 1988. Refrigerator sales, up 3.7%, showed increases in the purchase of larger capacity units, as well as smaller, more compact units, with the middle range becoming somewhat squeezed.

RETAIL SALES OF HOUSEHOLD APPLIANCES/ELECTRIC HOUSEWARES

Product Sales (continued)

Major Appliance Sales: 1988

	Units	% Change 1988/87
Automatic washers	6,190,400	3.2%
Dishwashers	3,907,400	- 3.1
Refrigerators	7,227,000	3.7
Room Air Conditioners	4,637,300	22.1
Gas ranges	2,167,300	1.4
Electric ranges	3,201,700	- 4.3
Microwave ovens	10,987,900	-12.9

Source: HFD magazine (Fairchild Publications),
(March 20, 1989)

Vacuum Cleaners

A $2 billion at reatil industry, vacuum cleaners have set new sales records every year for the past 5 years. Unit sales of upright, cannister, and stick type vacuum cleaners are expected to reach a record 11.4 million units in 1989, a 7.5% rise over the 1988 total, according to the Vacuum Cleaner Manufacturers Association. In 1990 sales are also anticipated to rise between 5% and 7%, to over 12 million units.

Electric Housewares

According to NHMA '89, a report on the state of the housewares industry commissioned by the National Housewares Manufacturers Association, small electrics remained the largest single product class in the industry, with a 21% share of sales in 1988, down from a 24% share in 1987. Cookware and bakeware, the second in rank by sales, also experienced a drop in market share from 22% in 1987, to 17% in 1988.

Housewares Sales by Category

Product Class	1988		1987	
	Rank	Share	Rank	Share
Small electric appliances	1	20.6%	1	24.2%
Cook & bakeware	2	16.7	2	21.7
Decorative accessories	3	14.8	6	6.5
Tabletop, sewing products & accessories	4	9.5	4	11.4
Kitchenware & accessories	5	9.1	3	12.9
Furniture	6	6.2	5	8.0
Outdoor products & accessories	7	5.1	8	3.4
Bath, laundry, closet & storage	8	4.6	7	5.2
Cleaning products	9	1.9	9	2.7
Clocks	10	0.6	10	0.2
Other		10.9		3.8

Source: HFD magazine (Fairchild Publications),
NHMA 1989

RETAIL SALES OF HOUSEHOLD APPLIANCES/ELECTRIC HOUSEWARES

Outlet Types

While demand for housewares products is rising, profitability is under pressure, as larger, more consolidated retailing channels are emerging and housewares manufacturers are forced to respond with a variety of concessions to the trade.

Discounters are the single most important outlet type for housewares manufacturers, according to NHMA, accounting for 27.5% of their sales in in 1988, up from 26.5% in 1977.

Housewares Manufacturers' Sales Distribution by Retail Outlet Type: 1987, 1988

Outlets (Ranked by 1988 share)	1988		1987	
	Rank	Share	Rank	Share
Direct to Retailers:				
Discounters	1	27.5%	1	26.5%
Supermarkets	2	11.2	5	7.0
National chains	4	7.9	4	8.4
Department stores	5	7.7	3	11.5
Catalog showrooms	6	5.8	8	4.8
Mail order	7	4.7	12	2.1
Drug stores	8	4.4	9	4.6
Warehouse clubs	9	3.9	6	5.5
Hardware stores	10	3.6	10	3.6
Gift, novelty, souvenir	10	3.6	11	2.2
Other	11	2.5	7	5.3
Company outlet	12	0.9	14	1.1
Home furnishings & appliance stores	13	0.7	13	1.4
Wholesalers	3	10.6	2	12.0

Source: NHMA, 1989 (National Housewares Manufacturers Association), HFD, April 3, 1989

According to a report compiled by HFD (August 14, 1989) the leading retailer of major appliances was Sears Roebuck, with a volume of $5.6 billion in 1988. Montgomery Ward followed, with sales estimated at $650 million. Most of this volume would be in the appliance store classification, rather than included in Census Bureau reports on general merchandise store figures.

Outlet Types (continued)

Top Major Appliance Retailers: 1988

Rank	Company (and Headquarters)	Major Appliance Volume (Mil. $)	No. of Stores
1	Sears, Chicago, IL	$5,600*	824
2	Montgomery Ward, Chicago, IL	650*	324
3	Circuit City Stores, Richmond, VA	344	122
4	Silo, Philadelphia, PA	206	206
5	Highland Superstores, Plymouth, MI	200	84
6	Lowe's, North Wilkesboro, NC	163*	296
7	P.C. Richard & Son, Hauppauge, NY	132	18
8	ABC Appliance Center, Auburn Hills, MI	120	15
9	Tops Appliance City, Edison, NJ	119	2
10	The Price Club, San Diego, CA	106*	42
11	Lechmere, Woburn, MA	95*	27
12	Fretter, Inc., Livonia, MI	90	53
13	Newmark & Lewis, Hicksville, NY	90	47
14	Brick Church, Orange, NJ	84	27
15	The Appliance Store, Pittsburgh, PA	83*	35
16	Best Buy, Minneapolis, MN	78*	41
17	Standard Brands, Pompano Beach, FL	76	16
18	Home Centers/First Family Group, Akron, OH	73	32
19	Tandy Name Brand, Fort Worth, TX	70*	290
20	Sun TV, Columbus, OH	67*	12

* estimate

Source: HFD "Retailing Home Furnishings",
(August 14, 1989)

K mart was the top housewares retailer in 1987, with sales of approximately $2.4 billion according to HFD. The industry definition included kitchen and personal care electrics, cookware and bakeware, microwave accessories, clocks, cutlery, kitchen tools and gadgets, storage items and organizers, barbecues and seasonal electrics. Sales figures were compiled from retailers who supplied the information, either as direct dollar figures, or as a percentage of total sales attributed to housewares. In cases where retailers declined to provide information, HFD made estimates based on a variety of sources, including Wall Street analysts.

RETAIL SALES OF HOUSEHOLD APPLIANCES/ELECTRIC HOUSEWARES

Outlet Types (continued)

The Top 25 Housewares Retailers
(Sales in mil. of dollars)

Company	Home Base	1987 Housewares Sales
K mart	Troy, MI	$2,368
Sears	Chicago, IL	1,786
Wal-Mart	Bentonville, AR	1,648
JC Penney	Dallas, TX	1,088
Target Stores	Menneapolis, MN	575
Zayre	Framingham, MA	557
Service Merchandise	Nashville, TN	506
Best Products	Richmond, VA	420
Cotter & Co.	Chicago, IL	400
F.W. Woolworth	New York, NY	320
The May Co.	North Hollywood, CA (May)	300
Walgreen	Deerfield, IL	295
McCrory's	York, PA	270
Kroger	Cincinnati, OH	266
American Stores	Chicago, IL	215
Price Club	San Diego, CA	210
Bradlees	Braintree, MA	200
Eckerd Drug Co.	Clearwater, FL	190
Ames	Rocky Hill, CT	183
Ace Hardware	Oak Brook, IL	175
Fred Meyer	Portland, OR	166
Revco	Twinsburg, OH	160
Hill's	Canton, MA	158
Caldor	Norwalk, CT	144
A&P	Montvale, NJ	143

Source: HFD magazine (Fairchild Publications),
(December 12, 1988)

Household Appliance Stores

In 1982, the Census Bureau reported that 10,239 appliance stores which had one or more paid employee(s) were in operation throughout the U.S. The latest count, for 1986, showed the number at 10,131. (This would include the appliance stores operated by Sears Roebuck, etc.)

For the year 1988, appliance store sales totaled $10.2 million, 1.9% over the 1987 total of $10.0 million. In the first nine months of 1989, appliance store sales were down 4.4% compared with the same 1988 period. The monthly pattern in sales of appliance dealers was as follows in 1988 and 1987.

RETAIL SALES OF HOUSEHOLD APPLIANCES/ELECTRIC HOUSEWARES

Household Appliance Stores (continued)

Monthly Sales Pattern in Household Appliance Store Sales: 1987, 1988

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
1988	7.0	7.0	7.0	8.0	8.0	9.0	9.0	9.0	8.0	8.0	9.0	12.0	100%
1987	8.0	7.0	7.0	7.0	8.0	8.0	9.0	9.0	8.0	8.0	9.0	12.0	100%

Source: Based on U.S. Bureau of the Census:
Revised Monthly Retail Sales

The latest data from the Census Bureau, on the number of appliance stores by employment size for 1986, shows 94.4% of stores were small, employing under 20 workers.

Percent of Household Appliance Stores by Employment Size: 1986

	Total	Total	Under 20	20-49	50-99	100-249	250 & Over
Number of establishments	10,131	100.0%	94.4	4.9	0.5	0.2	--
Number of employees	65,860	100.0%	68.1	22.0	5.1	(D)	(D)
Payroll, annual (thous.)	$1,005,937	100.0%	63.9	24.4	5.8	(D)	(D)

(D) Data withheld to avoid disclosing data for individual companies.

Source: U.S. Bureau of the Census:
1986 County Business Patterns

Department Stores

In 1982, according to the census of retail trade, department stores accounted for 32% of reported sales of major appliances. It is expected that 1987 census results will register a decline among traditional stores, many of which have discontinued sales of major appliances. Discount stores which are classified as department stores by the Census Bureau are included in the store group figures.

An annual report on typical (median) merchandising and operating results of departments within department stores with annual sales of $2 million or more is compiled by the National Retail Merchants Association. Results for appliance and electric housewares departments have been reported for 1988.

Department Stores (continued)

Merchandising & Operating Results of Major Appliances & Electric Housewares In Department Stores with Total Sales Over $2 Million: 1988
(Median results)

	Total Home Furnishings (48)*	Major Appliances (17)*	Housewares and small Appliances (47)*
Net sales, % change from last year	2.2%	- 3.0%	6.8%
Sales, % to total store sales	13.5	0.7	2.7
$ sales per square foot of selling space (main or largest selling unit)	$ 61.0	--	$ 58.0
Cumulative markon, %	47.1%	24.7%	41.0%
Gross margin, % of sales (incl. cash discounts)	38.4	18.9	31.0
Advertising, % of net sales	3.4	--	3.2
Selling salaries, % of net sales	10.4	--	10.7
Number of stock turns (times)	1.8	3.3	2.0

* Number in parentheses refers to the number of companies reporting in each category.

Source: National Retail Merchants Association: Merchandising and Operating Results of 1988 (1989 Edition)

Leading Metropolitan Areas

The Top 10 Metropolitan Markets For Sales of Major Household Appliances: 1987

		Major Household Appliance Sales (Mil. $)	% of Total
1.	Los Angeles/Long Beach, CA	$ 713.1	3.8%
2.	New York, NY	454.4	2.4
3.	Chicago, IL	429.5	2.3
4.	Philadelphia, PA	362.1	1.9
5.	Detroit, MI	314.8	1.7
6.	Boston/Lawrence/Salem, MA	308.5	1.6
7.	Washington, D.C.	287.5	1.5
8.	Houston, TX	264.7	1.4
9.	Nassau/Suffolk, NY	223.0	1.2
10.	Tampa/St. Petersburg/Clearwater, FL	221.1	1.2
	10 Metropolitan Markets, total	3,578.7	19.0
	U.S. total	18,711.7	100.0

Source: Based on Sales & Marketing Management: Survey of Buying Power, 1988 Edition (All rights reserved)

CONSUMER PRICES

Consumer price levels for major appliances, as reported by the U.S. Bureau of Labor Statistics, remained flat when comparing October 1989 figures with those of October 1988. Prices fell for small appliances, stoves, dishwashers and air conditioners, making them more affordable, while slight price increases were noted for laundry equipment, refrigerators and freezers.

Consumer Price Indexes On Specified Household Appliances, For All Urban Consumers

	Unadjusted Indexes		% Change	Annual	Annual Average
	Oct. 1989	Dec. 1988	Oct. 1989/88	Average 1988	% Change 1988/87
Major household appliances (Dec. 1986=100)	101.6	102.4	0.1%	101.0	0.5%
Refrigerators & home freezers (1982/84=100)	103.3	102.0	0.7	101.0	0.8
Laundry equipment (1982/84=100)	106.7	107.0	1.6	105.1	1.0
Stoves, ovens, dishwashers and air conditioners (Dec. 1986=100)	99.3	101.9	-1.5	100.6	- 0 -
Sewing, floor cleaning, small kitchen and portable heating appliances (Dec. 1986=100)	98.2	100.0	-4.1	101.4	-0.6

Source: U.S. Department of Labor, Bureau of Labor Statistics

NATIONAL ADVERTISING EXPENDITURES

Total 1988 advertising expenditures for household appliances (major appliances and electric housewares), amounted to approximately $612.3 million in the nine media measured by the Leading National Advertisers, Newspaper Advertising Bureau and Radio Expenditure Reports. About 31% of total expenditures was spent in network TV, followed by 25% in magazines, 19% in spot TV, 11% in newspapers, 5% in cable network TV, 3.0% in both syndicated TV and network radio, 2% in spot radio, and 1.0% in outdoor advertising.

National Advertising Expenditures for Household Appliances: 1988
(In million of dollars)

Newspapers	Magazines	Network TV	Spot TV	Cable Network TV	Syndicated TV	Network Radio	Spot Radio	Outdoor
$69.8	$152.1	$189.8	$118.6	$33.1	$17.5	$17.9	$11.7	$1.8

Sources: Leading National Advertisers (LNA)
Newspaper Advertising Bureau (NAB)
Radio Expenditure Reports (RER)

NATIONAL ADVERTISING EXPENDITURES

Estimates on advertising-to-sales ratios by industry are compiled by Schonfeld & Associates, Evanston, IL, from a variety of sources, including the 10-K reports of publicly held companies. The following summary has been published in Advertising Age from the complete report, "Advertising Ratios & Budgets", which includes forecasts.

In using the data it should be noted that expenditures included as advertising in 10-K reports may vary from company to company; privately-owned companies are not included; multi-industry companies are reported only in their primary industry (based on sales of their dominant line of business).

Advertising Ratios for Household Appliances
(All Media)

	Ad Dollars As % of Sales	Ad Dollars As % of Margin	Ad Dollars Annual Growth Rate %
Electric housewares & fans	4.0%	15.4%	(10.9)%
Household appliances	4.2	14.0	77.8

( ) represents a loss

Source: Schonfeld & Associates, Evanston, IL
Advertising Age (November 13, 1989)

Leading Advertisers

In its Leading National Advertisers report, the Publishers Information Bureau details purchases of consumer magazine advertising space for appliance and housewares manufacturers. Annual data for some industry leaders, covering 1987 and 1988, is shown below.

Leading Appliance and Housewares Advertisers In Consumer Magazines: 1987, 1988

	Expenditures for Space ($000) 1988	1987
Refrigerators & freezers:		
Whirlpool	$1,832.3	$1,361.5
General Electric	1,388.7	2,086.3
Stoves & ranges (incl. microwaves):		
Whirlpool	1,897.1	1,429.7
Maytag	1,340.5	1,194.2
General Electric	1,174.5	30.7
Panasonic	609.9	921.4
Litton	455.8	1,730.2
Raytheon	423.2	190.8

(continued)

Leading Advertisers (continued)

Leading Appliance and Housewares Advertisers In Consumer Magazines: 1987, 1988
(continued)

	Expenditures for Space ($000) 1988	1987
Laundry Equipment:		
Whirlpool	$1,750.3	$1,637.6
Raytheon	501.1	675.2
General Electric	11.7	847.3
Dishwashers:		
Whirlpool	1,821.6	1,491.3
General Electric	1,293.6	- 0 -
Vacuum cleaners:		
Regina	2,330.1	402.6
Black & Decker Dustbuster	1,731.6	1,677.4
Eureka	1,069.4	604.0
Hoover	882.2	904.7
Irons:		
Black & Decker	195.8	2,838.6
Small kitchen appliances:		
Cuisinart	4,034.6	559.6
Oster	2,415.0	516.3
Black & Decker	1,155.7	781.7
Kitchenaid	893.4	1,418.0
West Bend	494.9	667.8

Source: Publishers Information Bureau:
Leading National Advertisers

Percent of Year's Total Newspaper Advertising Linage Done By Retailers Each Month: 1988

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Automatic Washers	8.0	7.9	8.4	7.8	8.1	7.9	8.0	7.5	9.5	9.3	9.5	8.1	100%
Dishwashers	7.6	7.8	7.9	8.0	8.6	7.6	7.7	7.7	8.2	8.7	10.1	10.1	100%
Electric Dryers	8.2	7.7	8.6	8.1	8.2	8.0	7.9	7.6	8.8	9.3	9.3	8.3	100%
Electric Ranges	7.7	7.9	8.1	7.6	7.6	7.4	7.4	8.1	8.7	9.6	11.4	8.5	100%
Freezers	6.4	6.3	7.6	8.0	9.6	11.0	12.2	11.3	10.2	7.4	5.6	4.4	100%
Gas Ranges	8.3	8.3	7.6	6.4	8.0	7.3	7.5	7.8	8.9	9.3	12.5	8.1	100%
Microwave Ovens	7.5	7.8	7.5	7.2	8.9	5.7	6.1	6.4	7.6	8.4	12.5	14.4	100%
Microwave Ranges	11.5	10.8	8.4	7.8	6.7	4.1	4.5	4.9	6.5	8.2	14.5	12.1	100%
Refrigerators	7.1	7.1	7.4	8.1	8.4	8.9	10.3	9.4	9.0	8.6	8.4	7.3	100%

Source: Advertising Checking Bureau, 1988:
1990 Newspaper Advertising Planbook

CONSUMER BUYING PATTERNS

A survey of over 450 U.S. households, conducted by Leo J. Shapiro & Associates for Discount Store magazine, showed the percentage of respondents who expect to purchase specified small electrics in the next twelve months, with the average price they would expect to spend for each.

Consumer Purchasing Plans for Small Electric Appliances

Product	% Who Plan to Purchase In Next Year	Average Expect To Spend
Coffee maker	15%	$ 41
Microwave oven	15	245
Hair dryer	10	20
Vacuum cleaner	10	218
Iron	9	30
Electric shaver	8	37
Food processor	8	79
Blender	6	38
Fan	6	43
Toaster oven	6	46

Source: DSN/Leo J. Shapiro & Associates

Ten to fifteen percent of American consumers plan to buy a coffee maker, vacuum cleaner, microwave oven or hair dryer in 1989, and overall, more will go to a discounter for these purchases than to any other retail outlet, according to a study by Leo J. Shapiro & Associates, conducted for Discount Store News. This study, taken with over 450 U.S. households, revealed that 38% of those planning to buy any of ten small appliances would probably go to a discounter for that item.

While discounters topped the list of retail outlets consumers would go to most often, membership warehouse clubs are making inroads in product categories like vacuum cleaners National chains were the second most mentioned store type, with Sears the most popular.

CONSUMER BUYING PATTERNS

Store Type Preferred by Consumers For Small Electric Appliance Purchases

Product	Discount Store	National Chain*	Catalog Showroom	Department Store	Warehouse Club
Coffee Maker	29%	18%	15%	16%	7%
Microwave oven	20	19	7	10	9
Hair dryer	57	17	6	6	8
Vacuum cleaner	22	36	5	5	8
Iron	45	16	7	7	7
Electric shaver	33	15	8	8	9
Food processor	33	11	11	11	12
Blender	44	25	9	9	6
Fan	58	14	0	9	6
Toaster oven	35	18	8	10	14
Average	38	18	8	8	9

* Includes Sears, JC Penney, Ward

Source: Discount Store News (January 9, 1989)
Leo J. Shapiro & Assoc.

Electric Housewares

According to a Bride's magazine survey of 1,000 readers, conducted for the Association of Home Appliances Manufacturers (AHAM), brides-to-be have a large appetite for small appliances, and two-thirds of them would purchase what they did not get as wedding or shower gifts. Electric frypans and blenders topped the list of appliances brides would purchase.

AHAM and Bride's magazine also say that first marriages generate $47.8 billion worth of retail sales annually, $1.5 billion of which is spend on major and small appliances alone.

Small Appliances Newlyweds Expect to Use Almost Daily

	Bride	Groom
Electric can opener	60%	27%
Toaster	46	29
Iron	40	11
Automatic drip coffeemaker	37	30
Electric frypan	28	10

Small Appliances Brides Buy If Not Received as Gifts

Electric Frypan	68%
Blender	65
Iron	58
Electric can opener	57
Toaster	56
Hand-held mixer	54
Automatic drip coffeemaker	51

Source: Bride's magazine for Association of Home Appliance Manufacturers (AHAM)
HFD magazine (Fairchild Publications), (June 12, 1989)

CONSUMER BUYING PATTERNS

Personal Care Appliances

According to a study of consumer brand preferences, conducted by Leo J. Shapiro & Associates for Discount Store News magazine, approximately 69% of discount store consumers expressed a preference for a national brand in the personal care appliance category, while only 39% said they would prefer a discounter's own line or a private label. If their first choice was not available, about 55.1% would find a substitute brand, while 44.9% would skip the purchase.

Clairol was the most often preferred brand among consumers participating in the study.

Consumer Brand Preferences In Personal Care Appliances

Top Brands	Discount Shoppers	K mart	Wal-Mart	Zayre	Target
Clairol	26.0%	25.0%	32.3%	13.3%	40.0%
Conair	23.6	24.0	16.1	23.3	20.0
General Electric	12.6	12.5	12.9	13.3	13.3
Vidal Sassoon	11.0	10.6	12.9	10.0	17.8
Norelco	10.2	9.6	3.2	16.7	6.7
Gillette	6.3	5.8	3.2	6.7	4.4
Windmere	3.1	3.8	--	6.7	4.4
Schick	3.1	1.9	3.2	6.7	--
Remington	3.1	3.8	6.5	3.3	4.4
Goody	3.1	3.8	6.5	--	2.2

Source: Discount Store News (Oct. 24, 1988),
Leo J. Shapiro & Associates

The Replacement Market

The average life expectancy for specified appliances and housewares is given by Appliance magazine, based on first-owner use of the product, and does not necessarily mean the appliance is worn out. When a replacement is purchased, the old unit is either traded in, relegated to use elsewhere, given away, or discarded, thereby ending the life cycle.

The production of high quality appliances has allowed consumers to buy replacements less frequently, thus affecting sales in an industry driven by both construction and replacement. Replacement purchases, however, are expected to grow over the next ten to fifteen years, as the prime buyers of replacement appliances, the 35-44 age group, will grow steadily for the rest of the century. These are the years when most people make their second or third purchases and, in addition, desire to trade up, paying for additional features that will differentiate their new appliances from the first unit probably bought with their home.

CONSUMER BUYING PATTERNS

The Replacement Market (continued)

As Americans opt to remodel their kitchens as an alternative to moving. The National Kitchen and Bath Association estimates that between 4 and 4.5 million kitchens will be remodeled in 1989, up 8 to 12% from last year, and this number can be expected to grow between 10-12% annually for the next several years. Appliances make up between 15-18% of the $25 billion kitchen market, roughly in the $4.0 billion range.

Average Life Expectancy of Major Appliances: 1988

	Number of Years
Compactors	10
Dishwashers	10
Disposers, food waste	10
Dryers (compact & electric)	14
Dryers (gas)	13
Freezers	16
Microwave ovens	11
Ranges (free-standing, electric)	17
Ranges (free-standing, gas)	19
Refrigerators	17
Washers, automatic	13
Water heaters (electric)	14
Water heaters (gas)	11
Vacuum cleaners	10
Room air conditioners	11
Unitary air conditioners	12
Fans (except ceiling)	16
Portable heaters, electric	6

Source: Appliance magazine (Dana Chase Publications), "A Portrait of the U.S. Appliance Industry" Sept. 1989

Average Life Expectancy of Electric Housewares: 1988

	Number of years
Blenders	8
Can openers	8
Coffeemakers-drip	6
Corn poppers	8
Frypans	7
Irons	9
Mixers	10
Toasters	11
Toaster ovens	8
Curling irons, styling combs and wands	4
Hair dryers	4
Hair setters	4
Heating pads	6
Shavers	4
Tootbrushers	3
Water pulsators	4

Percentage of U.S. Households with Specified Appliances: 1983, 1987, 1988

	1988	1987	1983
Dishwashers	49.5%	47.7%	45.0%
Dryers (electric)	45.0	42.4	49.0
Dryers (gas)	16.5	16.3	15.0
Freezers	42.0	40.7	42.8
Microwave ovens	76.0	65.9	33.3
Ranges (electric)	60.0	59.4	58.0
Ranges (gas)	42.8	42.2	42.7
Refrigerators	99.9	99.9	99.9
Washers	72.0	69.8	73.6
Water heaters (electric)	47.0	46.9	47.2
Water heaters (gas)	53.0	53.2	52.7
Disposers	50.0	46.4	50.0
Vacuum cleaners	98.0	95.6	99.1
Room air conditioners	25.0	26.8	27.0
Fans (all)	52.0	50.0	45.0
Fans (ceiling)	32.0	31.0	26.0
Total U.S. household (millions)	91.1	89.5	83.7

Source: Appliance magazine (Dana Chase Publication, Inc.),
"A Portrait of the U.S. Appliance Industry" Sept., 1989

Market saturation levels compiled by Appliance show a very high level for irons, toasters and hair dryers. Rapid growth in ownership of coffeemakers, food processors and curling irons was also noted by comparing the three given years. These figures are based on reports from manufacturers.

Percentage of U.S. Households With Specified Electric Housewares: 1983, 1987 and 1988

	1988	1987	1983
Irons	99.0%	99.9%	99.9%
Coffeemakers (Drip)	69.0	67.0	57.0
Toasters	99.9	99.9	99.9
Toaster ovens	39.5	38.0	21.0
Blenders	64.0	63.5	60.0
Can openers	76.0	76.0	74.0
Food processors	49.0	44.0	22.0
Corn poppers	56.5	56.0	52.0
Frypans	63.6	64.0	65.0
Mixers	85.0	84.0	89.1

Source: Appliance magazine: (Dana Chase Publications, Inc.),
"A Portrait of the U.S. Appliance Industry" Sept. 1989

Percentage of U.S. Households with Specified Personal Care Appliances: 1983, 1987, 1988

	1988	1987	1983
Curling irons	80.0%	76.0%	56.7%
Hair dryers (hand-held)	88.0	86.0	70.0
Hair setters	55.0	52.0	49.0
Heating pads	20.0	20.0	19.8
Shavers (men's)	67.0	67.0	65.0
Shavers (women's)	40.0	40.0	40.0

The percentage of U.S. households that reported buying at least one of the specified items during a twelve month period between 1987 to 1988, was calculated by Mediamark Research Inc., based on 12,266 diaries. If individual shoppers purchased more than a single unit at any one time, or purchased these items over and over again, it is not reflected in these figures. Approximately 6.1% of the measured households said they bought at least one automatic dishwashing machine during the past 12 months.

Products Purchased by U.S. Households: 1987, 1988

	% of Households
Automatic washing machines	6.1%
Microwave ovens	5.9
Ceiling fans	5.6
Electric can openers	5.1
Coffee makers (automatic drip)	4.8
Electric toasters	4.7
Electric irons	4.3
Vacuum cleaners (upright)	4.1
Clothes dryers (electric)	4.0
Refrigerators	4.0
Electric mixers	3.3
Electric food processors	3.0
Vacuum cleaners (hand-held)	2.8
Blenders	2.8
Room air conditioners	2.5
Electric popcorn makers	2.3

Source: Mediamark Research, Inc. 1988:
Newspaper Advertising Planbook-1990

SCHEDULE OF ADDITIONAL FACT FILES

The Children's Market: Infants', Toddlers', Girls' and Boys' (Apparel, Juvenile Products, Toys/Dolls): Covers demographic trends affecting this market, including births, population projections by age, and characteristics of households with children. Includes detailed information on the U.S. children's wear industry, including production and shipments, foreign trade and price trends. Also covered are market trends for juvenile products (cribs, strollers, etc.) and for toys, games and dolls.

Consumer Market Developments (1989 Edition): An overview of all facets of the consumer market. Within the framework of population and income groups, the markets for children's products, for young adults and for the mature are defined in terms of numbers and buying power. Trends and projections are inclued as well as an analysis of developments that are shaping the U.S. consumer market--living arrangements, households, working women, marriage and birth rates, etc. Trends in personal consumption expenditures are also covered.

Department Store Sales (1989 Edition): Outlines ownership change/reorganizations in the past year affecting major department and specialty stores. Buying headquarter locations of stores are listed with information on sales and number of outlets included in this total. Notes are included on plans to open and/or close stores. Sales and outlet information is separately listed for corporate headquarter and for national chains.

Dresses (Women's, Misses' & Juniors'): At the manufacturer level, provides a statistical profile of the dress industry and the products made within this industry, including dresses, washable service apparel, ensembles, etc. Includes number and size of manufacturers, production, and value of shipments, industry location and trends in employment levels. Analyzed is the governing impact of imports on total U.S. market supply. Reatil sales by major type of retail outlet are covered, as well as growth in the size of the consumer market, based on population counts, working women by type of occupation, and more.

Fashion Accessories (Men's and Women's): Covers developments in the U.S. industry, in imports and in retail sales for fashion accessories, including small leather goods, handbags, millinery, scarves, gloves, belts, jewelry, sunglasses, watches, etc., to the extent that statistical information is available. Included are production and shipments by U.S. manufacturers plus the quantity and value of imports in recent periods. Retail sales and operating results in department and specialty stores are reported, as well as summaries of available studies on consumer buying preferences.

Footwear (Men's, Women's, Boys', Girls') (A 1989 Edition): A statistical summary of the U.S. footwear industry and U.S. market. Covers domestic production and shipments, and details trends in imports and their share of the dnd trends in the market aromestic market, with information on major types of footwear. Includes information on sales trends and operating/merchandising results for shoe departments.

Home Textiles & Related Products: Includes the latest statistics on the U.S. industry, including manufacturers of a wide variety of products--bed linens, towels, blankets, comforters, slip covers, pillows, curtains/ draperies and hardware, shades and blinds Covers the changing competitive nature of the industry through acquisitions of major producers and through consolidation of buying power at the retail level. Includes information on production, shipments and retail sales.

Hosiery/Legwear/Bodywear (Men's, Women's, Boys' Girls'): A comprehensive report on mills making hosiery and related products, including production and shipments, fiber consumption, producer price trends. The growing trend in imports is also covered. At the consumer level, the size of the potential market is measured in terms of population counts and projections and estimates are included on retail sales of major products by type of retail outlet.

Household Appliances, Electric Housewares: Covers a broad range of products included in these two classifications at the manufacturer and at the retail level. Provides a statistical profile of the U.S. industry in terms of number of manufacturers, production, shipments, exports. Imports are detailed, as well as information on export markets. Covers retail sales and merchandising results and information on appliance/radio/TV stores.

Household Furniture and Bedding: Provides an overall view of market trends in the U.S. For the U.S. industry, the report covers statistics on manufacturers, on production and shipments in terms of quantity and value by type of furniture. Trends in the concentration levels in the U.S. industry are reported, as well as in employment and earnings in the industry. Also included is information on the industry in leading states. Consumer market information includes data on characteristics of new housing units (number of rooms); also trends in consumer expenditures for furniture, sales by type of outlet. Details on furniture stores, including the 25 leaders, are also covered.

Men's Clothing and Furnishings: Provides a summary of major market trends in the men's furnishings/work/career apparel area and the tailored clothing areas, as well as in the rainwear area. Covers production and shipment information, employment trends, manufacturer concentration levels, location of the industries. Also examines import/export material. There's a look at the consumer market, plus in-depth details covering the retail level including sales and operating results for men's furnishings/work/career apparel/and tailored wear in both department and men's wear stores.

Men's Sportswear, Casual Wear, Outerwear: The wide variety of men's wear items included are covered from available statistical information on the industry at the manufacturer, retailer and consumer levels. Included is information on production and shipments by domestic producers, imports and exports. The retail market is covered in sales estimates and data on major outlet types, as well as studies of consumer buying practices.

The Sports/Fitness/Leisure Markets: Covers details on U.S. manufacturers in the sporting goods/athletic goods industry, concentrating on products sold through retail outlets such as sporting goods stores and general merchandise stores, as well as functional athletic footwear and apparel. Includes quantity and value of shipments of specified products, concentration of shipments among leading manufacturers, and trends in producer prices. Imports of specified sporting and athletic goods are covered. At the consumer level, data includes statistics and sports participation levels and purchases of specific sports equipment. Also buying habits in relation to activewear and sports equipment.

Sportswear, Casual Wear, Separates (Women's, Misses' and Juniors'): A statistical view of this segment of the women's wear industry is provided, including data on production and value of shipments, imports of major categories, sales by type of outlet, seasonal patterns, and consumer buying habits.

The Textile/Apparel Industries: Provides an overview of the U.S. textile and apparel industries, their current problems and programs to improve their competitive position in the U.S. market and abroad. Covers a statistical profile of each industry in terms of number of manufacturers, concentration levels, production and shipments, including exports. Trends in imports in terms of quantity and value are detailed, as well as quota developments. Also included is information on plant and equipment expenditures and on mill machinery in place in U.S. mills.

Toiletries, Cosmetics, Fragrances and Beauty Aids: A detailed view of the U.S. industry, leading manufacturers, sales of products for both men and women, trends in industry employment and earnings, advertising expenditures and foreign trade. Consumer expenditures by product are detailed as well as retail sales by outlet type, and consumer buying patterns and usage in regard to specified products.

Women's Inner Fashions: Nightwear, Daywear and Loungewear: An analysis of statistical information available on the industry and market, from manufacturer through to consumer. Includes the latest available data on U.S. production, shipments and exports; and details on imports. Retail sales and operating results in department and specialty stores are covered, as well as trends in producer and consumer prices. Developments in the size of the consumer market and trends in the market aromestic market, with information on major types of footwear. Includes information on sales trends and operating/merchandising results for shoe departments.

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Consumer Market Developments

FAIRCHILD FACT FILE

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Distributed through
Book Division
Fairchild Publications
Division of Capital Cities Media, Inc.
New York

CONSUMER MARKET DEVELOPMENTS

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Standard Book Number: 87005-693-X

Printed in the United States of America

CONSUMER MARKET DEVELOPMENTS

MAJOR TRENDS

As the 1980's came to a close, the U.S. looked back on seven years of consistently strong economic growth. The outlook was cloudy. A point of agreement among economists was that growth in important sectors had slowed down. But whether this would lead to anything worse--a recession or even a depression--was not conclusive in early indicators. The consensus at year's close leaned to an overall growth in the economy at 2.1% in 1990, half the 4.2% annual growth rate of the expansion period. G.N.P. growth in 1989 was 3% compared with 4.4% in 1988; 3.7% in 1987; 2.7% in 1986.

The weakest sectors now are in manufacturing (particularly the automotive industry) and construction (notably commercial). The decline in demand for U.S. cars has led to a sharp cutback in production, and the auto industry plans to continue to slash production, and employment in the first quarter of 1990. However, the nation's civilian unemployment rate in December remained unchanged from November at 5.3%, and this was the figure for the year compared with 5.5% in 1988. The Labor Department reported a weak increase in new jobs in December, and factory employment was down for the ninth straight month.

The strongest sector of the economy is services, where jobs are increasing-- though at a slower rate--and wages and salaries escalating. This helps dash hopes for lower inflation next year--hopes also cooled by the sharp rise in food costs due to weather conditions and the increase in fuel/energy prices.

Producer prices for finished goods shot up 0.7% in December, bringing the inflation rate in this measure to 4.9% for 1989, the worst year since 1981. The Consumer Price Index rose 0.4% for the month of December over November, bringing 1989 inflation to 4.6%. This compares with the 4.4% inflation rate in 1988 and 1987, and the 8.9% rate in 1981 following double digit rates in 1979 and 1980.

Personal incomes in 1989 reached $4,428.1 billion compared with $4,064.5 billion in 1980. Disposable income in current dollars gained 8.7% for the year; in constant (1982) dollars, the gain shrank to 4.1%. In the last quarter of 1989, the seasonally adjusted annual rate of disposable income in real terms was only 3.6% ahead of the comparable 1988 measurement.

Personal consumption expenditures represent about two-thirds of the Nation's GNP, and this sector must always be counted on to sustain growth. In 1989, PCE amounted to $3,470.3 billion--7.3% over 1988. Measured in constant (1982) dollars, the gain shrank to 2.8%. The real rate of spending in the fourth quarter of 1989 was only 2.3% ahead of the comparable 1988 measure. Increases in spending for both goods and services have definitely subsided. New home sales in 1989 were the worst since 1984, with units down 3.8%. Home resales (units) were down 4.6% from 1988 (which was the strongest year in a decade).

Preliminary Census Bureau reports on retail trade show a rise of 3.4% in total retail sales in 1989 over 1988. Durable goods store sales were up 3.2% (excluding the automotive group, up 5.9%). Nondurable goods stores registered a 6.2% rise, including sales of general merchandise stores (+5.4%) and apparel/accessory stores (+7.1%). In the durable group, sales of furniture/homefurnishings stores were up 3.3%; appliance/radio/TV stores, up 10.4%; sporting goods stores, up 6.3%.

Consumers have increased their rate of savings, which should have a positive effect on the economy, helping to produce capital, lessening U.S. reliance on foreign investors, and keeping interest rates from soaring. All to the good, but having a negative effect on some aspects of the consumer market. Consumer conficence as measured by The Conference Board and the University of Michigan appeared to be weakening as the year closed, but was sufficiently high during the year for consumers to take on debt at a growing rate. However, the delinquency rate on installment loans was edging close at a record level. At the end of December 1989, consumer debt (not including mortgages) totaled $717.1 billion, according to the Federal Reserve Board. This was 6% over the 1988 level.

The demographics of the consumer market, as the baby boom population bulge moves significantly along the age scale, are changing rapidly and the 1990s will present marketers with moving targets, necessitating a close watch over broad and regional market developments.

POPULATION: CURRENT COUNTS

The U.S. Bureau of the Census compiles monthly reports on population counts in three series: (1) the total including Armed Forces Overseas, (2) the resident population and (3) the civilian population.

In March a detailed survey is undertaken among a representative sample of the population, households and families to develop information on population characteristics by age, income, type of household, employment status, income, etc. Much of this information is summarized on the following pages.

As of July 1989, the resident population of the U.S. reached a total of 248,255,000. This represented a gain of just under 1% compared with July 1988, and marked the sixth consecutive year that the gain has been less than 1%.

In April 1990 the Census Bureau will undertake the 1990 Decennial Census of Population and Housing, when about 250 million people in 106 million housing units throughout the country will be counted. The census will result in a wealth of new data about consumers in specific areas of the country. It may also result in some revisions in projections for 1990 and beyond.

Estimtes of the Population By Type as of July 1: 1980-1989
(In thousands)

	Total Population Including Armed Forces Overseas	Resident Population	Civilian Population
1989(p)	248,777	248,255	246,567
1988(p)	246,329	245,807	244,125
1987(r)	243,934	243,419	241,680
1986(r)	241,625	241,107	239,386
1985(r)	239,279	238,736	237,031
1984	237,001	236,477	234,762
1983	234,799	234,284	232,589
1982	232,520	231,996	230,327
1981	230,138	229,637	227,989
1980	227,757	227,255	225,651

(p) preliminary
(r) revised

Source: U.S. Bureau of the Census, Current Population Reports:
Population Estimates and Projections
Series P-25, No. 1051

At the close of 1989, the Census Bureau estimated the U.S. resident population at 249.6 million, including an estimated 3.9 million births, 2.1 million deaths, and net migration of 697,000 during the year.

POPULATION TRENDS & PROJECTIONS

The profile of the population of the U.S. in terms of age continues to be dominated by the large component made up of the Baby Boom generation, born in the years 1946 through 1964 (with the peak in 1957). This population bulge is centered now at ages 25 to 34, totaling over 44 million, or almost 18% of the total population.

The drop in birth totals following the boom years and the increasing longevity of the older population have been concurrent developments shaping the population profile in recent years and for years to come.

In 1989 the Census Bureau released a new set of projections on the population from 1988 to 2080, in terms of age, sex and race. The projections are based on the July 1, 1986 estimated totals which have been projected forward to reflect three alternative assumptions (high, middle and low) for future fertility, mortality and net immigration levels. The series using the middle assumption for each component, generally based on recent trends, is used in this Fact File to illustrate probable future directions in population growth. When research involves very specific age segments, the other alternative series in the full Census Report should also be considered.

Population Projection Highlights

The U.S. population is expected to grow more slowly than ever before after 1995 and may stop growing within 50 years, according to middle series projections. The Bureau's middle series shows the population reaching a maximum of 302 million in 2038; then declining slowly to 292 million in 2080. (Armed Forces overseas are included in these projections).

The population age 65 and over will increase more slowly in the next 20 years than in many decades, growing 1.2% a year from 1988 to 2010 compared with an average growth rate of 2.5% in 1950-1987. From 2010 to 2030, however, the number age 65 and over will register a sharp increase as the baby boom generation ages, and this group will comprise nearly 22% of the population, totaling above 60 million persons compared with 30 million (12% of the total population) today.

The share of the U.S. population under age 35, now 55%, is not expected to be that large again for the period covered by the projections (1988-2080). It is projected to drop to 48% in 2000 and 41% in 2030.

The slow growth rate of the White population would reduce its share of the total from 85% in 1987 to 77% in 2040. The Black population would grow faster, increasing its share of the total from 12% in 1987 to 15% in 2040.

The "other races" category (mainly Asians, Pacific Islanders and American Indians) would grow the fastest. These populations are projected to triple by 2040, from 8 million to 24 million. Their share of the total would rise from 3% to 8%.

The Black population would grow faster, increasing its share of the total from 12% in 1987 to to 15% in 2040.

Both total and White births are projected to drop beginning next year. The projected drop in births will be sharpest in the 1990s, falling by 9% from 3.7 million to 3.4 million. White births would decline by more than 13%.

"Other races" is the only racial group for which the future number of births is ever projected to be more than 5% above its current level; other races births would increase by 20% in 10 years, 50% in 20 years, and 100% in 2030.

As the population ages, deaths would increase from 2.1 million currently to 2.6 million 2010. After 2030, deaths would range from 3.5 to 4 million, exceeding births every year.

The U.S. population in the year 2000 is projected to include 9 million immigrants (and their descendants) who entered the country after 1986. By the year 2030, the total would include 32 million post-1986 immigrants and their descendants, or 12% of the population.

Distribution of the U.S. Population By Age & Sex

Population Projections: 1990, 2000, 2010

(Middle Series*)
(Number in thousands; Includes Armed Forces Overseas)

	Number (Thousands)			% Change	% of Total		
	1990(p)	2000	2010	2010/1990	1990	2000	2010
MALE							
Total all ages	122,243	131,191	138,333	13.2%	100.0%	100.0%	100.0%
Under 5 years	9,426	8,661	8,668	- 8.0	7.7	6.6	6.3
5 to 9 years	9,408	9,288	8,687	- 7.7	7.7	7.1	6.3
10 to 15 years	10,576	11,849	10,955	3.6	8.6	9.0	7.9
16 years & over	92,834	101,392	110,024	18.5	75.9	77.3	79.5
16 - 19	7,182	7,771	7,753	7.9	5.9	5.9	5.6
20 - 34	31,505	27,551	28,709	- 8.9	25.8	21.0	20.7
35 - 54	31,191	40,241	40,018	28.3	25.5	30.7	28.9
55 - 64	10,103	11,557	17,173	70.0	8.3	8.8	12.4
65 & over	12,853	14,273	16,372	27.4	10.5	10.9	11.8
75 & over	4,681	6,032	6,681	42.7	3.8	4.6	4.8
85 & over	918	1,322	1,791	95.1	0.7	1.0	1.3
Median age (years)	31.9	35.2	37.5	17.5	--	--	--
FEMALE							
Total all ages	128,167	137,076	144,241	12.5%	100.0%	100.0%	100.0%
Under 5 years	8,982	8,237	8,231	- 8.4	7.0	6.0	5.7
5 to 9 years	8,971	8,837	8,253	- 8.0	7.0	6.4	5.7
10 to 15 years	10,059	11,259	10,391	3.3	7.8	8.2	7.2
16 years & over	100,155	108,742	117,366	17.2	78.1	79.3	81.4
16 - 19	6,886	7,440	7,410	7.6	5.4	5.4	5.1
20 - 34	31,110	27,198	28,316	- 9.0	24.3	19.8	19.6
35 - 54	32,193	40,893	40,391	25.5	25.1	29.8	28.0
55 - 64	11,260	12,601	18,257	62.1	8.8	9.2	12.7
65 & over	18,706	20,608	22,991	22.9	14.6	15.0	15.9
75 & over	8,505	10,607	11,643	36.9	6.6	7.7	8.1
85 & over	2,336	3,300	4,324	85.1	1.8	2.4	3.0
Median age (years)	34.1	37.6	40.3	18.2	--	--	--
TOTAL, MALE & FEMALE							
Total all ages	250,410	268,266	282,575	12.8%	100.0%	100.0%	100.0%
Under 5 years	18,408	16,898	16,899	- 8.2	7.3	6.3	6.0
5 to 9 years	18,378	18,126	16,940	- 7.8	7.3	6.8	6.0
10 to 15 years	20,634	23,108	21,345	3.4	8.2	8.6	7.5
16 years & over	192,989	210,134	227,390	17.8	77.1	78.3	80.5
16 - 19	14,068	15,212	15,164	7.8	5.6	5.7	5.4
20 - 34	62,414	54,749	57,025	- 8.6	24.9	20.4	20.2
35 - 54	63,384	81,134	80,409	26.9	25.3	30.2	28.5
55 - 64	21,364	24,158	35,430	65.8	8.5	9.0	12.5
65 & over	31,559	34,882	39,362	24.7	13.0	13.0	13.9
75 & over	13,187	16,639	18,323	38.9	5.3	6.2	6.5
85 & over	3,254	4,622	6,115	87.9	1.3	1.7	2.2
Median age (years)	33.0	36.4	39.0	18.2	--	--	--

(p) preliminary

Note: Columns may not add to totals shown due to rounding.

Source: U.S. Bureau of the Census: Current Population Reports,
Series P-25, No. 1018 (Issued January 1989)

POPULATION TRENDS & PROJECTIONS: AGE STRUCTURE

Median Age

The aging of the population is one of the most pervasive trends noted in the Census Bureau's projections. In 1970, the median age of the population was 27.9 years; by 1988 it was at an all-time high of 32.3 years. In none of the projection series compiled by the Bureau up to 2080 will the median age ever again be so low.

The massive Baby Boom cohorts will all be over age 35 by 2000, having a powerful effect on the median age rise, particularly up to 2010. The median age is projected to reach 36 years by year 2000; 39 by 2010; about 42 years by 2030; and 44 years by 2080.

Median Age: Selected Years 1970-1988; Projections 1990-2000
(As of July 1; Includes Armed Forces Overseas)

Year	Age
1970	27.9
1975	28.7
1980	30.0
1988	32.3
Middle Series Projections:	
1990	33.0
1995	34.7
2000	36.4
2005	37.8
2010	38.9
2020	40.2
2030	41.8
2040	42.6
2050	42.7
2080	43.9

Source: Current Population Reports, Series P-25, No. 1022, 1045

It should be noted that the median age of the Black population is considerably lower than for the White population. In 1990, according to the Census Bureau's projections, the median for Blacks was 28.1 years; for Whites, 33.9 years. Comparable figures for later years: 2010--32.8 vs. 40.3 years; 2030--37.4 years vs. 43.9. For both Blacks and Whites the median age for females was higher than for males.

Dependency Ratio

Changes in the Nation's age structure are reflected in the dependency ratio, which shows how many children and elderly there would be for every 100 working-age persons (age 18 to 64 years). The overall ratio is expected to be lower during most of the next 30 years than in any period since World War II. At no time through 2080 is it expected to be as high as in the 1960's. This is due to the continued decline in dependents under age 18. These numbered 42.2 per 100 working-age population in 1987 compared with 65.7 in 1965. By 2000, the youthful dependents are projected to be 39.2 per 100; by 2080, 34.4 per 100.

The elderly dependency ratio, on the other hand, was at an all-time high of 19.8 in 1987. It is projected to rise slowly to 21.8 in 2010, then increase rapidly to 38.0 by 2030. By 2080, the Census Bureau's middle series projections place the figure at 43.6 elderly dependents per 100 working-age persons.

POPULATION TRENDS & PROJECTIONS: AGE STRUCTURE

Dependency Ratio (continued)

Number of Dependents Per 100 Persons Age 18 to 64 Years, Selected Years: 1960-2080

Year	Total Dependents	Under Age 18	Age 65 & Over
1960	81.6	64.9	16.8
1970	78.0	60.6	17.5
1980	64.6	46.0	18.6
1985	61.9	42.6	19.3
1987	62.0	42.2	19.8
1988	61.9	42.0	20.0
Projections:*			
1990	61.7	41.4	20.4
1995	62.4	41.3	21.1
2000	60.0	39.2	20.8
2010	56.5	34.7	21.8
2020	64.1	35.0	29.0
2050	74.8	34.8	39.9
2080	78.0	34.4	43.6

* Projections are from the middle series of the set of three projections based on different assumptions compiled by the Census Bureau. (See page 3.)

Source: U.S. Bureau of the Census: Current Population Reports, Series P-25, No. 1018, 1045

Male/Female Population Ratio

While the ratio of males to females in the U.S. population in total has remained quite stable, changes are noted over the years within age groups. In younger groups, males have increased in number in relation to the female population, in the age group over 65 the reverse is true. There is a marked difference in the pattern for Blacks and Whites.

Ratio of Males to Females, By Age Group, Selected Years: 1950-1987
(Number of males per 100 females in the resident population)

	1987			All Races			
	Total*	White	Black	1980	1970	1960	1950
All ages	94.9	95.6	90.2	94.5	94.8	97.1	98.6
Under 14 years	104.9	105.4	103.1	104.6	103.9	103.4	103.7
14 to 24 years	102.4	102.9	97.9	101.9	98.7	98.7	98.2
25 to 44 years	98.8	100.8	86.9	97.4	95.5	95.7	96.4
45 to 64 years	91.8	93.2	81.8	90.7	91.6	95.7	100.1
65 years & over	68.4	68.3	67.1	67.6	72.1	82.8	89.6

* Includes all races.

Source: U.S. Bureau of the Census

POPULATION TRENDS & PROJECTIONS: AGE STRUCTURE

Children & Youths

An estimated 3,913,000 babies were born in the U.S. in 1988, 2% over the 3,829,000 live births reported by the National Center For Health Statistics for 1987. This is the highest number since 1964 (4,027,000) and compares with 4,308,000 at the peak of the Baby Boom in 1957. In the first 11 months of 1989, the NCHS recorded a rise of 1.5% in live births over the total in the same 1988 period.

Births have been on the increase in the 1980's because of the increase in female population of childbearing age. The number of women 15 to 44 years old rose from 53.1 million in 1980 to 58 million in 1987, and will peak at slightly over 58 million in 1990.

Based on the middle series projected age composition of the population and anticipated fertility patterns, a continued drop in births is projected by the Census Bureau, particularly due to a sharp drop in White births. While White fertility rates are projected to remain above their current levels up to 2080, there will be a sharp drop in the number of White women in the prime childbearing age group (18 to 34 years).

The pattern in births among Blacks and other races differs from the White birth pattern. The future annual number of Black births is projected to remain close to 600,000 (slightly below the current level) for at least the next 50 years, due to a gradual rise in the number of women aged 18 to 34 and despite a gradual drop in the Black total fertility rate. Births to other races, according to the Census Bureau's middle series of projections, will rise sharply in the next 10 years to total 20% above the current level. Other-race births will be up 50% within 20 years, and will be double the present number after 2030.

Projected Number of U.S. Births By Race: Selected Years 1990-2000
(From Middle Series; Numbers in thousands)

Year	Total	White	Black	Other Races	% of Total That Are White	% of Total That Are Black	% of Total That Are Other Races
1990	3,731	2,955	620	156	79.2%	16.6%	4.2%
1995	3,517	2,744	601	172	78.0	17.1	4.9
2000	3,389	2,602	597	190	76.8	17.6	5.6
2020	3,485	2,639	616	230	75.7	17.7	6.6
2040	3,307	2,425	584	298	73.3	17.7	9.0
2080	3,046	2,173	519	354	71.3	17.0	11.6

Source: U.S. Bureau of the Census: Current Population Reports,
Series P-25, No 1018

In reality it is impossible to accurately predict the future course of births. While projections involving population already born are on a relatively firm base, prediction on future fertility rates draw on a wider range in assumptions. The three series of population projections by age issued by the Census Bureau reflect this problem in dealing with younger age groups.

As of July 1, 1988, the Census Bureau estimated that U.S. population of children under 5 years of age at 18,456,000. Looking into the future, marketers of infants' and toddlers' products are faced with a broad choice of population counts. While the middle series of Census Bureau projections is generally accepted for most purposes, those interested in a specific population group may need to pay more attention to alternative series available in detailed Bureau reports.

Projections of the Population Under Age 5, Selected Years: 1990-2020
(Numbers in thousands)

Year	Highest Series*	Middle Series*	Lowest Series*
1990	18,944	18,408	17,894
2000	19,429	16,898	14,922
2010	21,194	16,899	13,860
2020	23,307	17,095	13,018

* Based on different assumptions about the future course of fertility, mortality, and net immigration.

Source: U.S. Bureau of the Census: Current Population Reports,
Series P-25, No. 1018

Children & Youths (continued)

The elementary school age population (5 to 13 years) numbered 31.4 million as of July 1, 1988. Even in the lowest series of population projections, this group is expected to remain above that level until the year 2000. It is expected to reach almost 34 million by 1995 in the middle series of projections, then decline to about 32 million in 2005, and fluctuate between 30 and 32 million until 2050.

The high-school age group (14 to 17 years) is projected to decline from the 14.0 million counted as of 1988 to 13.2 million in 1990, according to the middle series. A decline is noted in each series until a rebound about 1995, as these are the survivors of the baby bust of the mid-1970s. The middle series peaks at about 15.5 million in 2005; then the 14-to-17 population is expected to decline to about 14.1 million by 2020.

The population is 18 to 24 years old--the key group for colleges, the military and employers of new labor force entrants was reported at 26.9 million in 1988, down from 30.3 million in 1980. According to the middle series population projections, this group will decline to about 24.3 million by 1995, then reverse the steady decline since 1980 to reach about 27.2 million by 2010.

The middle series anticipates that this group would never again be as large as it is now. The highest series looks for the count to exceed current levels by 2005.

Projection of the Population Age 5-24 Years: Selected Years 1990-2020
(Middle Series; Numbers in thousands)

	Total	Age (years)				
Year	All Ages*	5-13	14-17	18-24	18-21	22-24
1990	250,410	32,393	13,237	26,140	15,012	11,128
2000	268,266	33,483	15,332	25,231	15,009	10,222
2010	282,575	31,001	14,746	27,155	15,563	11,592
2020	294,364	31,697	14,074	25,018	14,247	10,771
		Percent of U.S. Population*				
		5-13	14-17	18-24	18-21	22-24
1990	100.0%	12.9%	5.3%	10.4%	6.0%	4.4%
2000	100.0	12.5	5.7	9.4	5.6	3.8
2010	100.0	11.0	5.2	9.6	5.5	4.1
2020	100.0	10.8	4.8	8.5	4.8	3.7

* Includes Armed Forces overseas.

Source: U.S. Bureau of the Census: Current Population Reports,
Series P-25, No. 1018

Ages 25-64 Years

The impact of the Baby Boomers is now centered in the younger adult market which includes the Nation's consumers setting up new households, and those with needs and tastes that are fast-changing as members move up the age and income scales. Baby Boomers began to reach age 25 in the early 1970s, and the 25-34 age group has been growing ever since. Their number will peak in the early 1990s, at about 44 million, compared with some 25 million in 1970. Based on middle series projections, the population age 25 to 34 will be reduced to its 1980 size (37 million) by year 2000.

The fastest growth now is in the population group touched by the leading edge of the Baby Boom--the 35 to 44 group. This population cohort will continue to increase in the next 10 years, reaching (according to middle series projections) close to 44 million by year 2000 compared with an estimated 38 million in 1990, and about 23 million in the 1970s.

The population age 45 to 54 is now recovering from low counts in past years which reflected the relatively small number of births in the Depression years. In 1990, the Census Bureau estimated the number of people age 45 to 54 at 25.4 million, compared with 22.7 million in 1980. Middle series projections anticipate a peak of over 43 million by year 2010.

Ages 25-64 Years (continued)

It will not be until after 2000 that population counts will start growing at age 55 and beyond. But then the tide will surge, paralleling the pattern in Baby Boom period births. The peak number in the 55 to 59 group will be reached about 2015, according to middle series projections, reaching a total of over 21 million compared with 11.6 million in 1980, 10.6 million in 1990. The projected total drops to 20.8 million by 2020.

The population age 60 to 64, estimated at 10.7 million in 1990, will decline to 10 million by 1996, then begin a rapid increase, reaching over 20 million by year 2020.

Projections of the Population Age 25-64 Years, Selected Years: 1990-2020
(Middle Series; Numbers in thousands)

Year	Total All Ages*	Age (years)				
		25-34	35-44	45-54	55-59	60-64
1990	250,410	43,925	37,897	25,487	10,623	10,741
2000	268,266	37,149	43,911	37,203	13,459	10,699
2010	282,575	37,572	37,202	43,207	19,259	16,171
2020	294,364	39,100	37,591	36,635	20,811	20,276
		Percent of U.S. Population*				
		25-34	35-44	45-54	55-59	60-64
1990	100.0%	17.5%	15.1%	10.2%	4.2%	4.3%
2000	100.0	12.5	16.4	13.4	5.0	4.0
2010	100.0	11.0	13.2	15.3	6.8	5.7
2020	100.0	10.8	12.8	12.4	7.1	6.9

* Includes Armed Forces overseas.

Source: U.S. Bureau of the Census: Current Population Reports,
Series P-25, No. 1018

The Elderly

In the middle series projections, the population age 65 and over would increase by 4 million between 1987 and 1995. Then growth will slow due to the small number of births in the 1930s; the number will increase by only 2.5 million between 1995 and 2005 (reaching 36.3 million). However, after 2010, the elderly population will increase rapidly to 52 million by 2020 and 65.6 million by 2030.

Even as the overall U.S. population becomes older, so will the elderly population itself become older. The share of 65-and over accounted for by people age 85 or older will grow steadily from less than 19% now to over 15.5% by 2010, then fall back to lower levels until after 2030. The share held by those 85 and older will then climb again. Over 22% of the elderly will be over 85 years of age in 2050.

Projections of the Population Age 65 & Over By Sex, Selected Years: 1990-2020
(Middle Series; Numbers in thousands)

Age & Year	Total	Male	Female
65 & over			
1990	31,559	12,853	18,706
2000	34,882	14,273	20,608
2010	39,362	16,372	22,991
2020	52,067	22,430	29,637
85 & over			
1990	3,254	918	2,336
2000	4,622	1,322	3,300
2010	6,115	1,791	4,324
2020	6,651	1,991	4,660

Source: U.S. Bureau of the Census: Current Population Reports,
Series P-25, No. 1018

POPULATION TRENDS & PROJECTIONS: RACE DISTRIBUTION

Blacks and Other Races

The Census Bureau projects a major change in the composition by race of the U.S. population in future years. The White population is expected to increase by 29.2 million (11.4%) in the next 40 years, peaking at 235.4 million in 2027, then decline steadily, based on the middle of the three series of population projections.

The Black population will increase faster then the White, gaining 50% in 2030 compared with 1987. The other races population (Asians, Pacific Islanders, and American Indians) are registering the fastest growth. This group has tripled in size since 1970, and may be 50% larger by 2000, double its present size by 2040.

Projections of the Population By Race, Selected Years: 1990-2040
(Middle Series; Numbers in thousands)

				% of total population that is*--		
Year	White	Black	Other Races	White	Black	Other Races
1990	210,616	31,148	8,646	84.1%	12.4%	3.5%
2000	221,514	35,129	11,624	82.6	13.1	4.3
2010	228,978	38,833	14,764	81.0	13.7	5.2
2020	234,330	42,128	14,906	79.6	14.3	6.1
2030	235,167	44,596	20,866	78.2	14.8	6.9
2040	231,951	46,239	23,617	76.9	15.3	7.8

* Includes Armed Forces overseas.

Source: U.S. Bureau of the Census: Current Population Reports,
Series P-25, No. 1018

Hispanics

The nation's population of Hispanics (which may be of any race) totaled 20.1 million in March 1989. It has been growing about five times faster than non-Hispanics since 1980, according to a survey released October 1989 by the Census Bureau.

The Mexican-origin population was the largest among the Hispanic subgroups, and they were primarily concentrated in California and Texas. Three states had about two-thirds of U.S. Hispanics: California (34%), Texas (21%), and New York (10%).

Hispanics represented 8.2% of the civilian noninstitutional population in March 1989, compared with 6.5% in 1980. Their ranks are expected to swell to 28.7 million, or 10.7% of the population, by year 2000. About half the growth in the past 9 years has been from immigration, half from natural increase. The Cenusus Bureau estimates about 300,000 Hispanic immigrants enter the country each year, about 160,000 legally and 140,000 illegally.

Distribution of the Hispanic Population By Origin: 1980, 1989

	1989	1980	% Change 1989/90
Hispanic population (thousands)	20,078	15,364	30.7%
Percent	100.0%	100.0%	
Mexican origin	62.6	62.8	30.3
Puerto Rican origin	11.6	13.3	13.5
Cuban origin	5.3	6.2	12.4
Central & South American origin	12.7	9.9	67.1
Other Hispanic origin	7.8	7.8	30.8

Source: U.S. Bureau of the Census: News release CB89-158

POPULATION TRENDS & PROJECTIONS: RACE DISTRIBUTION

Asians

While the Asian-American population is fast-growing and is younger, more affluent, and more quality-conscious than the U.S. as a whole, it is a difficult target market because this market is extremely diverse, representing many different ethnic groups and cultures.

The Population Reference Bureau, Washington, estimates that about 10 million Asians will live in the U.S. in 2000, mostly in California, New York, Texas and Hawaii. The distribution by ethnic group was projected as follows for 1990 and 2000.

Distribution of the Asian-American Population:
Projections for 1990 and 2000

	1990		2000	
	Number	%	Number	%
Ethnic group:				
Filipino	1,405,146	21.5%	2,070,571	21.0%
Chinese	1,259,038	19.3	1,683,537	17.1
Vietnamese	859,638	13.2	1,574,385	16.0
Korean	814,495	12.5	1,320,759	13.4
Japanese	804,535	12.3	856,619	8.7
Asian Indian	684,339	10.5	1,006,305	10.2
Other Asian	706,417	10.8	1,338,188	13.6

Source: Population Reference Bureau, Washington, DC;
Wall Street Journal, July 20, 1989

POPULATION TRENDS & PROJECTIONS: REGIONS, DIVISIONS, STATES

Population By Age and Race

The Census Bureau released a detailed report on Projections of the Population of States, by Age, Sex, and Race: 1988 to 2010, which included the first set of Census Bureau State population projections produced by single years of age for individual calendar years. The projections, issued in October 1988, are consistent with middle series of national population projections referred to in this Fact File (Current Population Reports, Series P-25, No. 1018).

The South and West will continue to be the fastest growing regions in the U.S. in the 1990s, as they were in the 1980s. California, Texas, and Florida will account for more than one-half of the total U.S. population increase from 1987 to 2000. California will remain by far the most populous state, while by 1995, Texas will have moved past New York into the second spot. Florida will remain the fourth largest in the 1990s, but by year 2000, Illinois will have replaced Pennsylvania in fifth place.

In both 1990 and 2000, the Northeast will have the largest proportion of people aged 65 and over, and the lowest share under age 18. The West will have the highest proportion under age 18. During the 1990s, the maturing of the Baby Boom population will be reflected in growth of the 45 to 64 age group in all four regions. The number of people aged 25 to 44 is projected to drop in the Northeast and Midwest, but will grow in the South and West.

The population aged 18 to 24 will drop in all regions except the West in the 1990's, while the number of school-age children will increase, and those under age five will decrease in each region.

The South will retain more than half of the Black population in the next decade, and more than half of Black growth will occur in that region. Blacks will account for 19% of the South's population by 1990. In the Midwest in the 1990s, the White population is expected to decline by more than 1 million while the Black population will increase by nearly 500,000.

Population By Age and Race (continued)

Resident Population By Regions & Divisions: 1980, Projected 1990 and 2000
(Numbers in thousands)

	1980*	1990**	2000**	% of U.S. Total 1980	% of U.S. Total 1990	% of U.S. Total 2000
U.S. total	226,546	249,891	267,747	100.0%	100.0%	100.0%
Northeast	49,135	50,577	51,810	21.7	20.2	19.3
New England	12,348	13,078	13,775	5.4	5.2	5.1
Middle Atlantic	36,787	37,499	38,035	16.2	15.0	14.2
Midwest	58,866	59,777	59,596	26.0	23.9	22.3
East North Central	41,682	42,055	41,746	18.4	16.8	15.6
West North Central	17,183	17,722	17,850	7.6	7.1	6.7
South	75,372	87,276	96,919	33.3	34.9	36.2
South Atlantic	36,959	43,742	50,002	16.3	17.5	18.7
East South Central	14,666	15,597	16,285	6.5	6.2	6.1
West South Central	23,747	27,937	30,632	10.5	11.1	11.4
West	43,172	52,261	59,422	19.1	20.9	22.2
Mountain	11,373	13,995	16,022	5.0	5.6	6.0
Pacific	31,800	38,265	43,400	14.0	15.3	16.2

* As of April 1. ** As of July 1.
Note: Subtotals may not add to group totals due to rounding.

Source: U.S. Bureau of the Census: Current Population Reports, Series P-25, No. 1017

Projected Percent Change in Resident Population: 1990/1980, 2000/1990

	1990/1980	2000/1990
U.S. total	10.3%	7.1%
New England	5.9	5.3
Middle Atlantic	1.9	1.4
East North Central	0.9	0.7
West North Central	3.1	0.7
South Atlantic	18.3	14.3
East South Central	6.3	4.4
West South Central	17.6	9.6
Mountain	23.0	14.5
Pacific	20.3	13.4

Source: Based on U.S. Census Bureau reports.

Distribution of the Resident Population By Age For Regions, Projections: 1990,2000
(Based on middle series of population projections)

	Total All Ages	Years					
Year 1990	Ages	Under 5	5-17	18-24	25-44	45-64	65 & Over
U.S. total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Northeast	20.2	18.4	18.7	19.8	20.0	21.7	22.5
Midwest	23.9	24.4	24.4	23.6	23.6	23.7	24.5
South	34.9	34.8	35.6	35.7	34.5	34.9	34.7
West	20.9	22.4	21.4	20.9	22.0	19.7	18.4
Year 2000							
U.S. total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Northeast	19.4	17.8	18.5	17.7	19.6	19.8	21.1
Midwest	22.3	22.6	22.9	22.2	21.8	22.1	22.7
South	36.2	36.0	36.0	36.9	35.8	36.3	36.7
West	22.2	23.6	22.7	23.2	22.7	21.8	19.5

(continued)

POPULATION TRENDS & PROJECTIONS: REGIONS, DIVISIONS, STATES

Population By Age and Race (continued)

Distribution of the Resident Population By Race For Regions, Projections: 1990, 2000

(Based on middle series of population projections)

Year 1990	U.S. Total	Northeast	Midwest	South	West
All races (000)	249,891	50,577	59,777	87,276	52,261
Percent	100.0%	100.0%	100.0%	100.0%	100.0%
White	84.1	86.4	88.2	79.5	85.1
Black	12.4	11.3	10.0	18.8	5.6
Other	3.5	2.3	1.8	1.7	9.3
Year 2000					
All races (000)	267,747	51,810	59,596	96,919	59,422
Percent	100.0%	100.0%	100.0%	100.0%	100.0%
White	82.6	84.7	86.7	78.7	83.0
Black	13.1	12.3	11.0	19.1	6.0
Other	4.3	3.0	2.3	2.2	11.0

Note: Hispanics may be included in any race.

Source: U.S. Bureau of the Census: Current Population Reports,
Series P-25, No. 1017

Between April 1980 and July 1989, according to the Census Bureau, California's population rose 22.8%, or 5.4 million, bringing its total to 29.1 million -- roughly one in every U.S. resident. In the same period the U.S. population grew 9.6%.

Florida's population grew by 2.9 million, or 30%, to bring its total to 12.7 million. Texas grew by 2.8 million, or 19.4%, to 17 million. Georgia's population increased by 973,000, or 17.8%, to 6.4 million. Arizona added 838,000 people, or 30.8%, to bring its total to 3.6 million.

The fastest growing state in the 1980s in percentage terms was Nevada -- with a 38.9% increase, bringing its total to 1.1 million. The Census Bureau estimates that population losses within the decade were sustained by Iowa, Michigan and the District of Columbia.

MIGRATION/MOBILITY RATES

An annual report on the national moving rate in the 12-month period ending in March is compiled by the U.S. Department of Commerce, Bureau of the Census. In the most recent report covering year ending March 1987, 18.6% of the population age one year and older moved, matching the percentage reported for the previous year. This compares with an average of about 20% annually in the 1950s and 1960s, the low of 16.6% reached in 1983, and a high of 20.2% in the period ending March 1985.

Local moves, defined as moves within the same county, account for the major share--62% of the 1986-1987 period total (11.6% of the U.S. population). Moves between states represented 15.1% of total movers (2.8% of the population base).

Generally, local moves represent housing adjustments -- the purchase of a new home, a change of apartments , etc. -- or are in response to "life cycle" changes in family composition or needs. Long-distance moves, on the other hand, generally reflect economic developments -- job transfers or job seekers, military transfers -- or for non-economic reasons, including moves to attend school, moves by those seeking a climate or other change, family reasons, etc.

The complete report on Geographical Mobility: March 1986 to March 1987 details types of moves by population age groups, by race and Hispanic origin, by sex, and by region.

MIGRATION/MOBILITY RATES

Significant findings include the following:

Moving rates are highly dependent upon age. The highest rates are noted for persons in their twenties -- 34.7% for those 20 to 24 years of age and 31.8% for those 25 to 29 years old. At ages 30 to 44, the rate declines to 18.9% and dropped to about 9% for those 45 to 64, and about 5% for persons 65 years old and over.

Men register higher rates of moving than women. Reasons cited include the fact that men tend to marry at older ages than women and are more likely to be living in nonfamily households; and men are more likely to be in the military.

Persons of Hispanic origin had higher rates of moving within the nation (22.6%) than Blacks (19.6%) or non-Hispanic Whites (17.4%); although the patterns in types of moves vary considerably. The high rate of immigration from Mexico and Central America, as well as the movement of persons from Puerto Rico are factors to be considered.

Persons living alone or with nonrelatives register the highest rates of moving.

In the year ending March 1987, metropolitan areas continued to gain population at the expense of the nonmetropolitan parts of the country. In the same span, central cities registered a net loss, and the suburbs registered a net gain of nearly 2 million movers.

The South and West continued to register a net gain in immigrants, at the expense of the Northeast and Midwest.

Immigration, Outmigration and Net Migration For Regions: 1986-87
(Numbers in thousands)

	Northeast	Midwest	South	West
Immigrants	398	858	1,374	916
Outmigrants	732	969	1,095	750
Net migration	-334	-111	+279	+168

Source: U.S. Bureau of the Census: Current Population Reports,
Series P-20, No. 430

MARRIAGES/DIVORCES/MARITAL STATUS

According to provisional statistics compiled by the National Center for Health Statistics, 2,389,000 couples were married in 1988, 1% below the 1987 total and continuing the annual decline in number since 1984 when 2,477,000 marriages were reported. In the first 11 months of 1989, marriages were slightly ahead of the comparable 1988 number.

The 1988 marriage rate per 1,000 population, at 9.7, was the lowest reported since 1967 when it was also 9.7. It compares with 9.9 per 1,000 population in 1987, a high of 16.4 in 1946 and a low of 7.9 in the depression year of 1932. In the first 11 months of 1989, the marriage rate was 9.7.

A detailed analysis of U.S. marriage statistics through year 1986 was reported in July 1989 by the National Center for Health Statistics. In recent years men and women have been waiting longer to marry; remarriages are increasing, but the interval between divorce and remarriage is lengthening.

In 1986 there were 18.9 million U.S. residents ages 15 and over. Of these, 110 million (61%) were married, 50 million had never been married, 14 million were widowed, and 14 million were divorced. During the year, 6% of unmarried people got married.

The median age of brides and grooms at first marriage has been steadily rising. In 1970, the median for brides was 20.6 years; by 1986 the median had risen to 23.3 years. For grooms, comparable median ages were 22.5 years and 24.8 years, respectively. At first marriage, 9 out of 10 brides and 8 of 10 grooms were between the ages of 18 and 30 in 1986. Sixty-five percent of previously divorced brides and 59% of previously divorced grooms married between age 25 and 40. Seventy percent of previously widowed brides and 87% of previously widowed grooms were over 45 years of age.

MARRIAGES/DIVORCES/MARITAL STATUS

Marriage rates among the population below age 30 are higher in the South and West than in the Northeast and Midwest. However, their effect on the mix of household growth is minimal because no region is projected to have an increase in young adult population.

While the number of marriages and the marriage rate have been declining, there has been a leveling off in the divorce rate. In 1987 and 1988, the divorce rate per 1,000 population was reported at 4.8, down from 4.9 in 1986 and 5.0 in 1983 through 1985. However, the estimated number of divorces increased 2% between 1987 and 1988, to reach 1,183,000. In the first 11 months of 1989 the number of divorces were 2.0% below the comparable 1988 total, and the divorce rate registered 4.6 vs. 4.8.

The percent of the population who have never married has increased sharply, particularly among men. For the total age 15 to 39 years, in 1988, 51.1% of the men had never married, up from 47.7% in 1970; 39.6% in 1960. Among women of this age, 40.4% had never married as of 1988 compared with 38.5% in 1970, 28.1% in 1960.

The following table summarizes trends in the percent of young adults who have never married. This shows the increased tendency of these people to postpone marriage.

Percent of Population By Age Groups & Sex
Who Are Single (Never Married): 1960-1988

	Women				Men			
	1988	1980	1970	1960	1988	1980	1970	1960
Age:								
18 years	92.4%	88.0%	82.0%	75.6%	98.0%	97.4%	95.1%	94.6%
19 years	86.0	77.6	68.8	59.7	95.1	90.9	89.9	87.1
20-24 years	61.1	50.2	35.8	28.4	77.7	68.8	54.7	53.1
20 years	78.7	66.5	56.9	46.0	88.5	86.0	78.3	75.8
21 years	71.6	59.7	43.8	34.6	88.7	77.2	66.2	63.4
22 years	58.9	48.3	33.5	25.6	80.4	69.9	52.3	51.6
23 years	56.0	41.7	22.4	19.4	72.7	59.1	42.1	40.5
24 years	43.7	33.5	17.9	15.7	61.2	50.0	33.2	33.4
25-29 years	29.5	20.9	10.5	10.5	43.3	33.1	19.1	20.8
25 years	39.0	28.6	14.0	13.1	56.6	44.3	26.6	27.9
26 years	32.6	22.7	12.2	11.4	49.5	36.5	20.9	23.5
27 years	27.4	22.2	9.1	10.2	44.5	31.5	16.5	19.8
28 years	26.3	16.0	8.9	9.2	33.2	26.8	17.0	17.5
29 years	22.2	14.6	8.0	8.7	31.9	24.0	13.8	16.0
30-34 years	16.1	9.5	6.2	6.9	25.0	15.9	9.4	11.9

Source: U.S. Bureau of the Census: Current Population Reports,
Series P-20, No. 433

LIVING ARRANGEMENTS

Children (Under 18 Years of Age)

The share of U.S. households with no children under age 18 declined in the 1980s as the birth totals dropped and the baby boom generation moved out of their teens. Other major trends marking the period which affected children included the increase in dual income families (father and mother working) and the increase in single- parent households, particularly those headed by the mother.

As of March 1989, according to the Census Bureau, of the national total of 65,837,000 families, 52% (34,251,000) had related children under age 18. In March 1989, 54.3% of the 60,309,000 families had related children. The number of White families with children increased 2.1%, from 27,416,000 in 1980 to 27,995,000, but the share of total White families they represented dropped from 52% to 49.6%. For Black families, the share with children under 18 dropped from 70.7% to 67.6%, although the number with children increased 12.2%.

Children (Under 18 Years of Age) (continued)

In the details that follow it should be noted that Census Bureau data covers information on children in different counts: all children, related children in families, own children in families -- leading to different base totals. In other data the base totals are families or households with children.

U.S. Families With Related Children Under 18 Years of Age: March 1980, 1989
Total & By Race & Hispanic Origin

	All Families		Families With Related Children		
March 1989	Number (thous.)	%	Number (thous.)	%	% of Families
Total	65,837	100.0%	34,255	100.0%	52.0%
White	56,492	88.8	27,995	81.7	49.6
Black	7,409	11.2	5,010	14.6	67.6
Hispanic*	4,823	7.3	3,325	9.7	66.9
Av. number of children per family:		0.95		1.84	
March 1980					
Total	60,309	100.0%	32,773	100.0%	54.4%
White	52,710	87.4	27,416	83.6	52.0
Black	6,317	10.5	4,465	13.6	70.7
Hispanic*	3,235	5.4	2,409	7.4	74.5
Av. number of children per family:		1.03		1.90	

* Hispanics may be of any race.

Source: U.S. Bureau of the Census: Current Population Reports, Series P-60, No. 166, Table F-4

A profile of the living arrangements of children in the U.S. under 18 years of age (not including those maintaining households or family groups) has been compiled by the Census Bureau for a number of years. These show the sharp increase in single parent (mother) situations due to the high incidence of divorce, separations and out-of-wedlock births.

As of March 1988, of 63,179,000 children, 72.7% lived with both parents. This compares with 73.9% in 1985, 76.7% in 1980, 85.2% in 1970. The total number of children counted in 1980 was slightly higher than in 1988--63,427,000, but only 18% lived with their mothers (no father present) compared with 21.4% of the 1988 total. In 1970 the comparable figure was 10.8%.

Single parent situations (mothers only) represented even higher percentages of Black children -- 51% of the total in 1988. This was up from 43.9% in 1980, 29.5% in 1970. In 1970, 58.5% of Black children lived with both parents. This dropped to 42.2% in 1980, 39.5% in 1985, 38.6% in 1988.

Census Bureau projections anticipate a continued decline in the share of households accounted for by married couple families -- those that are able to spend the most on dependent children.

LIVING ARRANGEMENTS

Children (Under 18 Years of Age) (continued)

Living Arrangements of Children Under 18 Years of Age: 1980, 1985; 1988 by Age

	1988						Total Under 18 Years	
	Total Under 18 Years*	Age (years)						
		Under 3	3 to 5	6 to 9	20 to 14	15 to 17	1985	1980
ALL RACES								
Number (millions)	63.2	11.0	10.9	14.2	16.5	10.5	62.5	63.4
PERCENT	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
In households	99.9	100.0	100.0	99.9	99.9	99.9	99.9	99.9
Living with--								
Both parents	72.7	75.7	74.1	71.8	71.8	70.8	73.9	76.7
Mother only	21.4	20.0	21.3	22.5	21.8	20.9	20.9	18.0
Father only	2.9	2.6	2.3	2.8	3.0	3.6	2.5	1.7
Neither parent	3.0	1.7	2.2	2.8	3.4	4.5	2.7	3.6
In group quarters	0.1	--	--	0.1	0.1	0.1	0.1	0.1
BLACK RACE								
Number (millions)	9.7	1.7	1.7	2.2	16.5	10.5	62.5	63.4
PERCENT	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
In households	99.9	100.0	99.9	99.9	99.8	99.8	99.7	99.9
Living with--								
Both parents	38.5	36.2	38.0	38.4	40.4	38.8	39.5	42.2
Mother only	51.1	54.6	53.0	51.6	48.1	49.9	51.0	43.9
Father only	3.0	3.9	2.5	2.9	3.1	2.4	2.9	1.9
Neither parent	7.2	5.3	6.5	7.0	8.3	8.7	6.3	11.9
In group quarters	0.1	--	0.1	0.1	0.2	0.2	0.3	0.1

* Total does not include persons under 18 who are married or maintaining households.

Source: U.S. Bureau of the Census: Current Population Reports,
Series P-20, No. 433; P-20, No. 410

Considering only children under 18 living with parents (one or both) sharp changes in children's living arrangements over the years highlighted in the following summary of Department of Labor data. In 1988, of 58,441,000 children in this classification, 28.6% were in a traditional family with father employed (including Armed Forces) but mothers not working compared with 37.1% of the 59,714,000 counted in 1980. The big gain has been in the share of children in families with both parents employed and, secondarily, in the proportion living in single parent families maintained by mothers. At the same time, the number of children under 18 years declined by 1,273,000--with all the decrease reported in the age 6-17 group in 1988 compared with 1980.

LIVING ARRANGEMENTS

Children (Under 18 Years of Age) (continued)

Children Living With Parents

Year	Total* (thous.)	Percent of Children Two-parent Families Total	Traditional Families	Dual-Worker Families	Single Parent Families Total	Maintained by Women	Men
All Children Under 18							
1975	63,574	84.1%	46.2%	29.7%	15.9%	14.6%	1.3%
1980	59,714	80.6	37.1	36.5	19.4	17.7	1.6
1988	58,441	77.6	28.6	42.6	22.4	19.6	2.7
Children Age 6-17							
1975	45,208	83.1	42.5%	32.2	16.9	15.4	1.6
1980	41,788	79.0	32.9	39.1	21.0	19.1	1.9
1988	38,554	75.8	24.5	44.6	24.2	21.2	2.9
Children Under 6							
1975	18,366	86.8	55.3	23.3	13.2	12.7	0.5
1980	17,927	84.4	46.8	30.6	15.6	14.6	1.0
1988	19,887	81.0	36.5	38.5	19.0	16.6	2.3

*Covers only those children living with a parent. See also footnotes on following table.

Source: See table below.

Information compiled by the Bureau of Labor Statistics shows little overall improvement in children's welfare from 1974 to 1987. Family income declined on average in the early 1980s, but recovered to the extent that by 1987 some groups of children were in families with median incomes equal to, or slightly above their 1974 levels (in constant 1987 dollars). However, some groups were in families where the median was below its 1974 level; particularly children in a single parent (mother) family and younger children in father-only families.

These figures may be viewed in relation to the reported average cost of raising a child from birth to age 18. According to estimates by American Demographics (January 1990), the cost in the baby's first year averages $5,774. According to the U.S. Department of Agriculture, the total cost up to age 18 is about $100,000.

Median Family Income of Children Living With Parents In Constant (1987) dollars

Year	Overall Median Income	Total	Two-parent Families Traditional Families*	Dual-Worker Families**	Single Parent Families*** Maintained by Women	Men
For Children Under 18:						
1974	$29,560	$32,675	$31,402	$37,860	$11,116	$23,702
1980	29,152	33,045	30,746	38,258	10,567	19,676
1987	30,007	35,619	31,652	40,890	9,007	20,781
For Children Age 6-17						
1974	31,575	35,248	29,893	39,543	12,487	24,113
1980	30,920	35,562	32,936	40,317	12,231	21,560
1987	31,366	37,690	33,282	42,432	10,517	25,270
For Children Under 6						
1974	25,800	27,917	27,497	31,962	8,193	16,780
1980	25,663	28,731	27,477	32,883	6,968	15,506
1987	27,503	32,396	29,633	37,623	6,397	14,543

*Father employed (including Armed Forces), mother not employed.
**Father and mother employed.
***No spouse present.

Source: U.S. Department of Labor, Bureau of Labor Statistics: Monthly Labor Review, December 1989

Children (Under 18 Years of Age) (continued)

The median family income by race for children under age 18 was reported as follows: White: $29,668; Black: $12,357; Hispanic origin: $15,474.

The table (p. 23) covering children living with one or both parents shows that a higher percentage under 6 years old are in traditional families (36.5% in 1988), than those 6 to 17 years old (24.5%). But a larger proportion of the older children are in dual-worker families.

The median family income for children under 6 years was $27,503 in 1987; for children in two parent families it was $32,396. For children age 6 to 17 years, the median family income in 1987 was $31,366, for those in two-parent families the median was $37,690, according to the Bureau of Labor Statistics.

The foregoing material covers information on children's real median income, and is based on the frequency distribution of children by family income. Because many families contain more than one child (in March 1989, 62.9 million children lived in 34.2 million families), the figures on distribution and on median incomes differ from comparable figures for families with children.

U.S. Census Bureau reports based on the March 1989 Current Population Survey show the pattern in families with related children under 18 years by total money income in 1988, as summarized in the following table.

Distribution of Families With Related Children Under 18 Years
As of March 1989 Based on Total Money Income in 1988
(Numbers in thousands)

Income Group	All Families With Related Children		Married-Couple Families		Female Householder (No Husband Present)	
	No.	%	No.	%	No.	%
Total	34,255	100.0	25,599	100.0	7,363	100.0
Under $25,000	13,147	38.4	6,591	25.7	5,862	79.6
$25,000-$34,999	5,926	17.3	4,789	18.7	829	11.3
$35,000-$44,999	4,998	14.6	4,498	17.6	337	4.6
$45,000-$54,999	3,741	10.9	3,481	13.6	155	2.1
$55,000-$64,999	2,413	7.0	2,301	9.0	68	0.9
$65,000-$74,999	1,417	4.1	1,349	5.2	50	0.7
$75,000-$84,999	875	2.5	835	3.3	23	0.3
$85,000-$99,999	717	2.1	685	2.7	16	0.2
$100,000 & over	1,106	3.2	1,073	4.2	24	0.3
Median income	$31,645		$37,832		$11,874	
Mean income	$37,069		$43,601		$16,077	
Income per family member	$ 9,507		$10,534		$ 5,019	

Source: U.S. Bureau of the Census: Current Population Reports, Series P-60, No. 166

Of all families with children under 18 years, almost 30% had money income in 1988 of $45,000 or more. Among married couple families, reflecting the high incidence of dual-income households, 38% were in the $45,000-and-over bracket.

At the other end of the income scale, according to a Census Bureau analysis of all children under age 18, based on 1988 money income before taxes, and not including non-cash benefits such as Medicare, Medicaid, food stamps, public housing, employer-provided benefits, etc., 19.7% of the Nation's 63.7 million children were classified as living below poverty.

For related children in families (62,892,000) 19.2% were below the poverty threshold compared with 17.9% in 1980. Of the 34,255,000 families with related children under 18, 15.7% were below poverty as of March 1989, compared with 14.7% in 1980. The poverty rates were much lower for White children and families than for Blacks and Hispanics, but poor White children outnumbered those of other races.

Children (Under 18 Years of Age) (continued)

Poverty Status of Families With Related Children Under 18
Total & By Race & Hispanic Origin

	Families With Related Children		Related Children Under 18	
	Number (thous.)	% of Total Which Are Below Poverty	Number (thous.)	% of Total Which Are Below Poverty
MARCH 1989*				
All races	34,255	15.7%	62,892	19.2%
White	27,995	11.9	50,582	14.1
Black	5,010	36.0	9,677	43.5
Hispanic**	3,325	29.7	6,907	37.6
MARCH 1980*				
All races	32,773	14.7	62,168	17.9%
White	27,416	11.2	51,002	13.4
Black	4,465	35.5	9,287	42.1
Hispanic**	2,409	27.2	5,211	33.0

* Population as of date as shown, income for previous year.
** Hispanic may be of any race.

Source: U.S. Bureau of the Census: Current Population Reports,
Series P-20, No. 166

Of the 12.1 million related children in families in 1989 who were below poverty, 7.1 million (59.2%) were White; 4.2 million (34.9%) were Black; 2.6 million were Hispanic (21.5%). Comparable figures for 1980 were White (61.3%); Black (35.1%); Hispanic (15.5%), out of a total 11.1 million children.

Young Adults (18 to 34 years)

As the proportion of people of prime marrying age who have not yet married for the first time increased sharply, young adults in the 80s were much more likely to be living at home with parents than their counterparts of the 1970s. The percent age 18 to 24 who had returned to or had never left home showed a slight rise between 1970 and 1980 (from 47% to 48%) but increased significantly by 1988 (54%). Young men are more likely than young women to live with their parents (61% vs. 48%).

The growing share of the young adult population who have never married or who are divorced (along with an aging population), has lead to an increase in the number of persons living alone, as well as in households composed of unrelated individuals.

The shift in living arrangements of young adults is reflected in data on home ownership (covered in the section on HOUSEHOLDS). Homeownership rates are lower among nonfamily households than among married couple households. Another factor has been the rising costs of owning a home, making ownership out of reach for younger married couples.

Families headed by younger people are less likely to own a home today than in 1983, according to the Census Bureau, but among young nonfamily households homeownership has been stable although rates for this group are lower.

LIVING ARRANGEMENTS

Young Adults (18 to 34 years)

Living Arrangements of Young Adults By Sex: 1970, 1980, 1988

	Men			Women		
Age 18 to 24 Years	1988	1980	1970	1988	1980	1970
Number (millions)	12.8	14.3	10.4	13.2	14.8	12.0
Percent	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Child of householder	60.7	54.3	54.3	48.4	42.7	41.3
Family of householder or spouse	15.4	21.3	30.0	30.5	36.2	44.7
Nonfamily householder	9.8	11.1	5.4	7.7	8.1	4.2
Other (members of nonfamily household, living alone, etc.)	14.1	13.3	10.3	13.4	13.1	9.7
Age 25 to 34 Years						
Number (millions)	21.3	18.1	11.9	21.6	18.7	12.6
Percent	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Child of householder	15.0	10.5	9.5	8.3	7.0	6.6
Family of householder or spouse	57.1	66.4	79.3	73.8	78.1	86.1
Nonfamily householder	16.0	15.3	6.5	10.0	8.8	3.5
Other (members of nonfamily household, living alone, etc.)	11.8	7.9	4.8	7.9	6.2	3.9

Note: Child of householder includes unmarried students living in dormitories. A householder refers to the person (or one of the persons) in whose name the housing unit is owned or rented (maintained), or generally designated the "reference person".

Source: U.S. Bureau of the Census: Current Population Reports, Series P-20, No. 433

In 1988, 11.6% of males age 25 to 29 lived alone; 8.1% of females. Of those age 30 to 34 years, 10.6% of the males and 7.1% of the females lived alone.

Adults (35 to 64 Years)

Heads of households age 35 to 64 are primarily males. Of males in this age bracket, 34.1 million (87.9% of the total) were classified as householders (or head), including 10% who lived alone in 1988. Of females in this age group, 11.7 million (28% of the total) were classified as householders, including again about 10% who lived alone.

Shifts in living arrangements since 1985 are noted below, including the decrease in the percent of males age 35-44 who are heads of family households, and the increase in those living alone.

LIVING ARRANGEMENTS

Adults (35 to 64 Years) (continued)

Living Arrangements of Adults Age 35-64 Years: 1985, 1988

	1988			1985		
MALE Age:	35-44	45-54	55-64	35-44	45-54	55-64
Total Number (thous.)	17,077	11,520	10,186	15,333	10,848	10,377
Percent	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Householder	84.8	89.4	91.6	86.5	88.3	90.5
Family householder	71.9	78.4	80.3	75.0	79.0	80.1
Living alone	10.4	9.0	10.2	9.2	8.0	9.4
With nonrelatives	2.5	1.9	1.0	2.3	1.3	0.9
Not a householder	15.2	10.6	8.4	13.5	11.7	9.5
In families	11.5	7.9	7.1	10.3	9.0	7.4
Not in families	3.7	2.8	1.3	3.2	2.7	2.1
Married, wife present	73.6	79.5	81.6	76.2	79.7	81.1
Householder	68.1	74.6	77.0	71.6	75.5	77.1
Not a householder	5.5	4.9	4.6	4.6	4.2	4.0
FEMALE						
Total Number (thous.)	17,606	12,275	11,456	15,966	10,550	10,774
Percent	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Householder	27.5	27.2	30.7	26.5	26.4	31.3
Family householder	20.3	17.2	13.3	19.9	17.1	12.6
Living alone	6.0	8.9	16.9	5.7	8.5	17.9
With nonrelatives	1.2	1.1	0.5	0.8	0.8	0.8
Not a householder	72.5	72.8	69.3	73.5	73.6	68.7
In families	69.8	71.0	68.0	71.4	72.1	67.6
Not in families	2.7	1.8	1.3	2.1	1.5	1.1
Married, husband present	71.0	71.6	67.3	72.0	72.3	67.0
Householder	4.6	3.9	3.2	4.0	3.2	3.0
Not a householder	66.4	67.7	64.1	68.0	69.1	64.0

Source: U.S. Bureau of the Census: Current Population Reports,
Series P-20, No. 433; 410

The Elderly Population (Age 65 & Older)

Until 2010 the population 65 years and over will grow at a sustained modest rate: 1.2% a year, and current living arrangements may be the general pattern. After 2010, however, the Baby Boomers will be elderly, causing this group to increase at a more striking rate, and no doubt ushering in a new and very different market profile.

Although the total population age 65 is not increasing sharply, as noted in the population data, the elderly population is itself growing older. Persons aged 85 and over increased from 5.6% of the elderly in 1960 to 9.7% in 1988. Elderly women outnumber elderly men by 3 to 2, as women tend to outlive men in all races.

Elderly men are more likely than elderly women to be living in a family setting, especially at advanced ages. Excluding the institutional population in 1988, about 85% of men but only 65% of women aged 65 to 74 lived in families. Elderly men are more likely than elderly women to be living with a spouse; elderly women are more likely to live alone. The percentage of all elderly living alone has risen sharply since 1960.

LIVING ARRANGEMENTS

The Elderly Population (Age 65 & Older)

Living Arrangements of the Elderly, Selected Years: 1960-1988
(Noninstitutional population: Numbers in thousands)

	1988			Total			
	Total	Men	Women	1985	1980	1970	1960
65 Years & over	28,528	11,837	16,691	26,818	24,194	19,061	15,581
Percent	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Living:							
Alone	30.4	16.2	40.6	30.2	30.3	26.6	18.6
With spouse	54.5	75.1	39.9	53.4	53.6	51.1	51.1
With other relatives	12.8	6.6	17.1	13.9	14.1	18.9	24.8
With nonrelatives only	2.3	2.1	2.4	2.4	2.1	3.4	5.5
65 to 74 years	17,472	7,736	9,736	16,576	15,293	12,093	10,605
Percent	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Living:							
Alone	24.3	13.1	33.2	24.9	25.2	23.3	17.3
With spouse	63.9	79.5	51.4	62.2	61.9	58.6	58.2
With other relatives	10.0	5.3	13.7	10.6	10.9	14.7	19.6
With nonrelatives only	1.9	2.1	1.7	2.3	2.0	3.4	4.9
75 years & over	11,056	4,101	6,955	10,242	8,901	6,968	4,976
Percent	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Living:							
Alone	40.2	21.9	50.9	38.9	39.1	32.4	21.4
With spouse	39.6	66.8	23.6	39.2	39.2	38.1	36.1
With other relatives	17.2	9.1	22.0	19.3	19.6	26.2	35.8
With nonrelatives only	3.0	2.2	3.5	2.6	2.2	3.4	6.7

Source: U.S. Bureau of the Census: Current Population Reports,
Series P-20, No. 410, 433

In 1988, out of 19,456,000 households with heads age 65 and older, 75% were owner households, 25% renter households. Over half (53%) of the owner households were married couple households compared with 19% of the renter households.

In 1988, according to the Department of Commerce, the elderly accounted for 10.9% of the Nation's poor (children under 18 accounted for 39.5%). The poverty rate for the elderly exceeded that for children until about 1973. In 1988, 12% of the population over age 64 were living below the poverty level compared with 15.7% in 1980 and 24.6% in 1970. (The poverty definition, adopted by the Office of Management and Budget, consists of a set of money income thresholds that vary by family size and composition. Average thresholds varied in 1988 from $6,024 for a person living alone to $24,133 for a family of nine or more members.)

PERSONAL INCOME & OUTLAYS

Preliminary 1989 Results

Personal income in the latter months of 1989 was adversely affected by natural disasters: Hurricane Hugo in South Carolina, the Loma Prieta Earthquake, and record cold in some areas. However, preliminary data for the year indicates a gain of 9.0% in the personal income total compared with 1988. Disposable personal income for the year was up 8.7% in current dollars, but the gain shrank to 4.1% when adjusted for inflation.

Preliminary 1989 Results (continued)

Profile of Personal Income & Expenditures: 1980, 1987-1989
(Dollar figures in billions, except per capita figures)

					% Change	
Current $	1989(p)	1988	1987	1980	89/88	89/90
Personal income	$4,428.7	$4,064.5	$3,777.6	$2,258.5	9.0%	96.1%
Less personal tax & nontax payments	648.7	586.6	571.7	340.5	10.6	90.5
Equals disposable personal income	3,780.0	3,477.8	3,205.9	1,918.0	8.7	97.1
Less personal outlays*	3,573.7	3,333.1	3,104.1	1,781.1	7.2	100.6
Personal consumption expenditures (PCE)	3,470.3	3,235.1	3,010.8	1,732.6	7.3	100.3
Equals personal saving	206.3	144.7	101.8	136.9	42.6	50.7
Savings as a % of disposable personal income	5.5%	4.2%	3.2%	7.1%	--	--
Addendum:						
Disposable income Constant (1982)$	$2,906.7	$2,793.2	$2,676.6	$2,214.3	4.1%	31.3%
PCE (Constant 1982)$	2,664.4	2,598.4	2,513.7	2,000.4	2.5	33.2
Per capita disposable income						
Current $	$ 15,191	$ 14,116	$ 13,140	$ 8,421	7.6%	80.4%
Constant (1982)$	11,681	11,337	10,970	9,722	3.0	20.2
Per capita PCE						
Current $	$ 13,868	$ 13,131	$ 12,340	$ 7,607	5.6%	82.3%
Constant (1982)$	10,716	10,546	10,303	8,783	1.6	22.0

* Includes personal consumption expenditures, interest paid by consumers to business, and personal transfer payments to foreigners (net).

(p) preliminary

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Wage/Salary Income

As of December 1989, civilian employment was seasonally adjusted at 117.9 million, which was about 1.9 million higher than the comparable 1988 figure. Male employment in December 1989 totaled 64.6 million, up 1.1 million in the year; female employment at 53.3 million, was up 0.8 million. In 1989, a record 66.5% of the civilian noninstitutional population was in the civilian labor force; 62.9% were employed.

Average hourly earnings of nonagricultural workers increased by 3.7%, as of December 1989 while average weekly earnings rose by 2.8% over December 1988.

Manufacturing jobs continued their downward spiral, however, December employment gains were virtually all in the service-producing sector. At year end there were indications that job-growth might be slowing in all sectors, including service occupations, which have been the front-runner for a long time. Sharkeouts in the financial community will affect high-income groups, particularly in the Northeast.

Advanced 1989 data by the Bureau of Economic Analysis, placed wage and salary disbursements at $2,632 billion. This was 8.4% over the total of $2,429 billion reported for 1988, on a current dollar basis, without adjustment for inflation. Wages and salaries represented 59.4% of 1989 personal income, down from 59.8% in 1988. (Information on median earnings of men and of women is covered in the table on Median Income By Selected Characteristics in this section of the Fact File.)

PERSONAL INCOME & OUTLAYS

Interest Payments/Rate Sensitivity

Uncertainty about the future direction of interest rates leads economists to debate the relative importance of higher and lower interest rates on consumer spending. But in 1989 the high level of rates brought personal interest income to an annual average of $654.7 billion, based on reports for the first 11 months. This was 14.6% over the 1988 total of $571.1 billion, 9.1% over $532.2 billion in 1987, according to the Bureau of Economic Analysis.

Interest income represented about 17.4% of disposable income in 1989, 15.0% in 1987, 14.2% in 1986. The ratio of interest payments to disposable income, on the other hand, rose to 2.7% average in the 1980s from 2.3% in the 1970s.

Partly because of more liberal financing terms and innovations in consumer finance, consumer debt rose to record levels in the 1980s. Consumer credit (not including mortgages) outstanding at the end of the second quarter of 1989, according to the Federal Reserve Board, stood at $761 billion compared with $705.8 billion a year earlier, $437.7 billion in 1983. Home mortgages were valued at $2,263.4 billion in the 1989 period, up from $2,055.3 billion at the end of the second quarter, 1988; $1,200.2 billion in 1983.

That consumer spending was not dampened by sharp rises in interest payments lies in the fact that as debt has grown there has been an even sharper growth in household assets--including those producing interest income. According to an analysis published by the Federal Reserve Bank of New York (Quarterly Review/Summer 1989), total financial assets of the household sector are now about 12 trillion dollars with about a third providing interest income directly to consumers. The portion of household assets that is interest-sensitive stood at 21% in 1988 compared with 12% in 1968. It is interesting to note that because the advantages seen in ARMS (adjustable rate mortgages) has diminished due to tighter controls over thrifts, ARMS are now accounting for only 25% of the new mortgage market compared with 55% a year ago.

It was estimated in this analysis that a sustained three-percentage-point jump in short-term interest rates raises aftertax net-interest income by some $15 billion. Of that amount, approximately $10 billion will be spent over the following 12-month period--boosting aggregate consumption in the economy by 0.3%. A Goldman, Sacks & Co. economist figured that every percentage point drop in interest rates will cause a $10 billion decline in annual personal income.

A recent Federal Reserve study showed that 45% of consumer debt is owed by the wealthiest one-fifth of the population. These are net lenders rather than debtors. And some debtors such as borrowers with home equity loans are not forced to reduce consumption in response to higher interest rates. This group will be relatively unaffected in their spending patterns by a reduction in interest rates; the rest will benefit among other holders of adjustable rate credit.

However, any restrictive monetary policy action that cuts production and increases unemployment might risk a sharper downturn in spending than in the past due to the high level of consumer debt. It is hoped that the increase in household assets will offset this effect.

Savings/Spending

The 1980s were characterized by a sharp growth in consumer spending at the expense of saving. But in the closing months the pattern appeared to be changing. Personal consumption expenditures in 1989 represented 92% of disposable income in current dollars compared with 93% in 1988, and 90% in 1980. Spending in 1989 rose 7.3% compared with the 7.4% rise noted in 1988 over 1987. Eliminating inflation, the 1989 gain in spending was 2.7%; in 1988, 3.4%. Spending for durables in 1989 in constant dollars rose 2.9% vs. 6.2% in 1988. Comparable figures for nondurables: +1.2% vs. +1.6%; for services, +3.7% vs. 3.8%.

As consumer spending growth slowed, personal savings picked up. The 1989 savings rate was 5.5% of disposable income, up from 4.2% in 1988 and a 40-year low of 3.2% in 1987. In 1970, however, the rate was 8.1%; in 1980, 7.1% -- so it has a long way to go to satisfy capital requirements and diminish reliance on foreign investments.

Savings/Spending (continued)

Personal Consumption Expenditures by Major Classification: 1987-1989
(Billions of dollars)

	Current dollars			Constant (1982) Dollars		
	1989(p)	1988(r)	1987(r)	1989(p)	1988(r)	1987(r)
Total expenditures	$3,470.3	$3,235.1	$3,010.8	$2,668.6	$2,598.4	$2,513.7
Durables, total*	473.6	455.2	421.0	425.6	413.6	389.6
Motor vehicles & parts	214.0	211.6	195.5	178.1	179.2	168.8
New cars	100.3	101.2	93.4	82.0	84.4	79.5
Furniture & household equip.	173.7	162.0	149.1	177.2	164.8	152.3
Other durables (jewelry, books, toys, wheel goods, etc.)	85.9	81.6	76.5	70.3	69.6	68.5
Nondurables	1,122.6	1,052.3	998.1	915.7	904.5	890.4
Food & beverages	594.9	559.7	529.2	462.8	460.0	452.7
Apparel & footwear	196.2	183.4	174.0	166.0	158.5	156.7
Women's & childrens' wear	112.0	104.8	99.3	94.7	89.8	88.5
Men's & boys' wear	55.1	51.7	48.9	46.0	44.5	43.7
Military issue clothing	0.1	0.1	0.1	0.1	0.1	0.1
Footwear	29.0	26.7	25.7	25.1	24.1	24.3
Luggage, handbags, small leather goods	3.7	3.4	3.2	2.8	2.8	2.9
Gasoline & oil	83.5	76.8	75.2	96.6	97.1	95.9
Fuel oil, coal	20.2	19.5	17.6	25.1	25.4	23.0
Other nondurables	223.9	209.5	199.0	162.4	160.7	159.2
Services, total	1,874.1	1,727.6	1,591.7	1,327.2	1,280.2	1,233.7
Housing services	534.0	501.3	467.7	372.7	366.1	358.4
Household operation services	204.2	197.6	185.9	165.4	164.1	156.7
Transportation services	126.8	117.9	106.5	98.3	94.4	89.6
Medical care services	453.0	398.3	357.7	296.3	278.2	266.8
Personal care services	49.0	43.0	37.4	36.1	33.3	30.1
Personal business services	247.7	234.4	223.2	158.6	154.4	151.1
Private education, research	66.9	58.0	51.1	50.4	45.7	42.2
Recreational services	112.3	100.8	90.9	86.3	81.3	75.6
Religious & welfare	83.2	76.1	68.1	64.9	62.0	58.4
Net foreign travel by U.S. (U.S. foreign travel less foreign travel in U.S.)	- 2.9	- .05	3.2	- 1.8	0.6	4.8

(p) preliminary (r) revised

* Durables are defined as products having a useful life of three years or more.

Source: U.S. Dept. of Commerce, Bureau of Economic Analysis

Personal Income By Sex & Age

Men age 45-54 have the highest median income--$29,578 in 1988 compared with an overall median of $20,537 for all males age 15 to 64. This is a group which will enjoy rapid growth in population over the next 20 years. Based on their mean income, the group's aggregate income in 1988 amounted to $402.7 billion --21% (or $1,918.2 billion) of total personal income credited to men age 25 to 69.

Personal Income By Sex & Age (continued)

The second highest median for males in 1988 was in the 35-44 age group: $28,545. Because men of this age outnumbered those age 45-54 in 1989 (and will continue to do so for at least the next 10 years), their total income was larger ($573.3 billion in 1988). And they accounted for almost 30% of total income attributed to males age 25-69. Although median income for males age 25-34 was less--$20,782 in 1988-- because of their number, their share of aggregate income (29.5%) exceeded the share noted for males age 45-54.

As noted in the detailed table on money income by sex and age, income recorded for women is far below that of their male peers in each age group. However, the situation is improving. The female population age 15 and older with their own income has increased by 2.8 million in the last two years (from 87.8 million in 1987, to 90.6 million in 1989) and median incomes rose from $7,610 to $8,884. Comparable figures for males age 15 and over with income showed an increase of 2.1 million in number (from 84.5 million to 86.6 million), while median income rose from $17,114 to $18,908 (up 10.5%) in current dollars. (People over 64 are included in these figures.)

The number of women in the key spending ages 25 to 69 with their own income as of 1989 was only slightly larger than the number of men (64.7 million vs. 64.5 million), but men of this age had total money income of $1,918.2 billion, while the total for women was $906.5 billion (47% of the male total).

The highest median income reported for women was in the 35-44 age group-which includes women who have climbed the career ladder--reported at $12,546 (less than half the median for men of this age). This group garnered 29.4% of the money income attributed to women age 25 to 69. Year-round-full-time workers age 35-44 had a median income of $20,635--65% of the median for full-time male workers of this age.

Median Income & Total Income of Men & Women, Age 25-69: 1985, 1988
(Number of persons in thousands, as of March 1989, 1986)

	1988				1985			
	Number with Income	Median Income	Total Income Bil.$	Total Income %	Number with Income	Median Income	Total Income Bil.$	Total Income %
MEN								
Age group:								
25-34	20,912	$20,782	$ 566.2	29.5%	20,464	$18,662	$423.9	27.9%
35-44	17,400	28,545	573.3	29.9	15,694	25,358	446.6	29.3
45-54	11,702	29,578	402.7	21.0	10,768	25,845	321.9	21.1
55-64	9,955	22,647	286.0	14.9	10,131	20,257	256.7	16.9
65-69	4,529	14,548	90.0	4.7	4,206	12,581	73.2	4.8
Total	64,498	--	$1,918.2	100.0	61,263	--	$1,522.3	100.0
WOMEN								
Age group:								
25-34	20,228	$11,565	$ 274.9	30.3	19,300	$ 9,879	$223.7	35.0%
35-44	17,044	12,546	266.2	29.4	15,271	10,275	130.5	20.4
45-54	11,687	12,020	180.4	19.9	10,612	9,619	126.7	19.8
55-64	10,397	8,377	128.4	14.2	10,603	7,173	111.1	17.4
65-69	5,375	7,375	56.6	6.2	5,073	6,524	47.7	7.4
Total	64,731	--	$ 906.5	100.0	60,859	--	$639.7	100.0

Source: Based on U.S. Bureau of the Census: Current Population Reports, Series P60, No. 156 and No. 166

The Bureau of the Census reported on the income of persons, by age, in 1988. This covers money income before taxes, and does not include the value of noncash benefits or other measures of total wealth. Income data for individuals, families and households reflect revisions due to a new computer processing system introduced in the March 1989 Current Population Survey in which 1988 income figures were developed.

PERSONAL INCOME & OUTLAYS

Personal Income By Sex & Age (continued)

Total Money Income in 1988 By Sex & By Age
(Number of persons in thousands, as of March 1989)

	Under 65 years						65 Years & Older	
	Total	15-24	25-34	35-44	45-54	55-64	65-74	75 & Older
MALE								
Population	78,955	17,807	21,462	17,681	11,917	10,088	7,880	4,198
Without income	4,391	3,212	549	281	214	134	43	16
With income	74,564	14,595	20,912	17,400	11,702	9,955	7,837	4,182
Income Group:								
Under $15,000	27,808	11,827	6,519	3,604	2,587	3,271	4,269	2,985
$15,000-$24,999	16,298	1,996	6,350	3,616	2,192	2,144	1,937	703
$25,000-$44,999	20,931	679	6,412	6,702	4,242	2,896	1,120	340
$45,000-$54,999	4,114	34	897	1,446	1,089	648	187	56
$55,000-$74,999	2,873	2,139	468	1,073	819	493	160	46
$75,000-$99,999	1,283	18	139	491	364	251	93	18
$100,000 & over	1,276	19	126	469	409	253	70	33
Median income	$20,537	$ 5,843	$20,782	$28,545	$29,578	$22,647	$13,941	$10,228
Mean income	25,138	8,549	23,316	32,950	34,415	28,730	18,864	14,445
Year-round full-time workers:								
Civilian income recipients (No.)	47,341	4,287	15,148	13,425	9,080	5,401	810	139
Median income	$27,316	$14,863	$24,284	$31,847	$32,701	$31,645	$28,695	$30,840
Mean income	32,516	16,326	27,077	37,376	39,099	37,472	37,820	43,513
FEMALE								
Population	82,075	18,089	21,778	18,192	12,705	11,311	9,867	7,077
Without income	8,209	3,579	1,550	1,148	1,018	914	123	94
With income	73,865	14,510	20,228	17,044	11,687	10,397	9,744	6,983
Income Group:								
Under $15,000	48,651	12,826	12,188	9,558	6,912	7,266	7,766	5,915
$15,000-$24,999	14,659	1,396	5,005	3,882	2,580	1,797	1,284	670
$25,000-$44,999	8,901	247	2,672	3,034	1,875	1,072	580	314
$45,000-$54,999	856	21	208	312	195	118	57	33
$55,000-$74,999	463	4	100	168	125	66	42	33
$75,000-$99,999	164	3	34	46	43	39	9	13
$100,000 & over	170	13	21	45	54	37	8	9
Median income	$ 9,704	$ 4,485	$11,565	$12,546	$12,020	$ 8,377	$ 7,256	$ 6,944
Mean income	12,802	6,596	13,590	15,624	15,435	12,346	10,378	9,808
Year-round full-time workers:								
Civilian income recipients (No.)	30,780	3,285	9,889	8,706	5,796	3,113	468	58
Median income	$18,521	$13,183	$18,486	$20,635	$20,174	$18,347	$19,454	nr
Mean income	21,060	14,408	20,236	22,926	23,041	21,782	21,125	nr

nr not reported

Source: U.S. Bureau of the Census: Current Population Reports,
Series P-60, No. 166

Personal Income By Other Characteristics

Median Income of Men & Women By Selected Characteristics: 1987, 1988
(Number or persons 15 years old and over as of March
of the following year, in thousands)

	1988		1987	
	Number with Income	Median Income	Number with Income	Median Income
Males, total	86,584	$18,908	85,713	$17,786
By Region:				
Northeast	17,915	21,544	17,888	19,817
Midwest	21,344	19,156	21,087	17,915
South	29,397	16,773	28,835	16,344
West	17,928	19,431	17,903	18,453
Race/Hispanic Origin:				
White	75,247	19,959	74,647	18,905
Black	8,610	12,044	8,488	11,215
Hispanic origin*	6,342	13,030	6,102	12,230
Relationship to Family Householder:				
In families	70,814	19,453	70,601	18,350
Householder	51,254	24,235	51,025	23,066
Spouse of householder	3,249	22,186	3,057	21,014
Other relative	16,320	6,071	16,518	5,629
In unrelated subfamilies	82	13,549	83	11,153
Unrelated individuals	15,688	16,976	15,029	16,082
Occupation Group of Longest Job Earnings:				
Total with earnings**	70,467	20,612	69,545	19,818
Executive, admin., mgrs.	9,139	34,221	8,851	32,553
Professional specialty	8,200	33,740	7,819	32,435
Technical & related support	1,909	27,747	2,020	25,668
Sales	7,599	21,795	7,621	21,504
Admin. support incl. clerical	3,970	18,594	3,908	18,226
Precision production, craft, repair	13,807	21,505	13,441	20,503
Machine operators, etc.	5,221	18,115	5,161	17,474
Transportation & material moving	4,727	19,484	4,845	18,004
Handlers, laborers, etc.	5,030	8,574	4,967	7,956
Service workers	7,200	9,600	7,155	8,801
Farming, forestry, fishing	3,467	7,290	3,559	6,407
Years of School Completed:				
Total Age 25 & Older	71,988	22,038	70,737	21,221
8 years or less	8,342	9,922	8,420	9,742
High School				
1 to 3 years	7,826	14,067	7,985	14,141
4 years	25,438	21,186	25,254	20,262
College				
1 to 3 years	12,584	25,397	11,298	24,687
4 years	9,785	32,328	9,445	31,406
5 years or more	8,014	40,047	7,705	37,857
Female, total	90,593	8,884	89,661	8,295
By Region:				
Northeast	19,718	9,611	19,473	8,743
Midwest	22,551	8,299	22,220	7,826
South	30,552	8,424	30,264	7,963
West	17,771	9,699	17,705	8,940

(continued)

Personal Income By Other Characteristics (continued)

Median Income of Men & Women By Selected Characteristics: 1987, 1988
(Number or persons 15 years old and over as of March
of the following year, in thousands)
(continued)

	1988		1987	
	Number with Income	Median Income	Number with Income	Median Income
Race/Hispanic Origin:				
White	77,493	$9,103	76,940	$8,507
Black	10,380	7,349	10,164	6,949
Hispanic origin*	5,532	6,990	5,357	6,630
Relationship to Family Householder:				
In families	72,214	7,990	71,965	7,502
Householder	13,712	10,839	13,354	10,292
Spouse of householder	44,724	8,824	44,440	8,158
Other relative of hshldr.	13,779	4,535	14,172	4,515
In unrelated subfamilies	392	7,126	405	6,840
Unrelated individuals	17,987	11,881	17,291	11,029
Occupation Group of Longest Job Earnings:				
Total with earnings**	60,658	11,096	59,356	10,620
Executive, admin., mgrs.	6,411	20,688	5,878	19,270
Professional specialty	8,488	20,245	8,010	19,429
Technical & related support	1,913	17,169	1,826	16,066
Sales	8,565	6,570	8,205	6,436
Admin. support incl. clerical	16,115	12,595	16,398	12,243
Precision production, machine operators, etc.	6,972	na	6,790	na
Service workers	11,477	5,181	11,553	4,757
Farming, forestry, fishing	691	2,439	676	2,660
Years of School Completed:				
Total Age 25 & Older	76,033	10,082	74,802	9,435
8 years or less	8,206	5,205	8,460	5,056
High School				
1 to 3 years	8,601	6,295	8,554	6,292
4 years	31,415	9,748	31,280	9,143
College				
1 to 3 years	13,459	13,367	13,276	12,487
4 years	8,843	18,415	8,133	16,893
5 years or more	5,559	23,477	5,099	22,382

na not available
* Persons of Hispanic origin may be of any race.
** Amounts shown are median earnings.

Source: U.S. Bureau of the Census: Current Population Reports,
Series P-60, No. 166

EMPLOYMENT TRENDS

As apparent in the reported demographic data, the baby boom that swelled the labor force for the past two decades has been replaced by a baby bust. Work-force growth will slump to 1% a year in the 1990s, far below the explosive 2.9% growth in the 1970s, according to predictions by the Hudson Institute in a study called Workforce 2000. Nearly two-thirds of the new entrants will be women; an additional 20% will be nonwhite or immigrant men. White, native-born males will make up only 15% of new entries to the labor force from now through the next century, according to the study.

EMPLOYMENT TRENDS

The Hudson Institute further predicts that 41% of the jobs created through the end of the century will be "high skill" ones, versus about 24% of existing jobs. Yet many new workers lack even basic skills.

Every two years, the Bureau of Labor Statistics prepares projections on the U.S. labor force. Revised projections for the year 2000 in three possible alternative, based on low, high and moderate growth assumptions, were summarized in the November and December 1989 issues of the Monthly Labor Review. Additional information will be published by the BLS in the spring of 1990 in Outlook 2000, Bulletin 2352.

The labor force is projected to total 141 million persons in 2000, a net addition of 19 million over 1988 based on moderate growth assumptions. In contrast, the work force grew by 25 million between 1976 and 1988. Women were only 40% of the 1976 total; by 2000, they are projected to be 47%, increasing from 55 million in 1988 to 67 million in 2000. The BLS moderate growth projections look for 100 million more prime age (ages 25-54) workers in 2000 compared with 1988, while the number of young workers will decline, continuing a trend which began in 1979. Older workers should increase in number.

Employment By Occupation: 1986, Projection to 2000 (Moderate Alternative)
(Number in thousands)

Occupation	1986	2000	% Change 1986/2000
Service workers	17,536	22,917	30.7
Managerial and professional specialty	24,121	30,808	27.7
Technicians, salesworkers, administrative support	36,183	43,594	20.5
Precision production, craft and repair	13,924	15,590	12.0
Operators, laborers, farmers, forestry	19,556	20,117	2.9

Source: Bureau of Labor Statistics: Monthly Labor Review,
Sept. 1987 and Dec. 1989

During the course of 1989 the civilian labor force expanded by 1.9 million, with the entire increase about equally divided between adult men and women. Between 1985 and 1986 it grew by 2.4 million.) Men age 20 years and over in the labor force numbered 64,071,000 million as of December 1989 on a seasonally adjusted basis, and represented 51.4% of the total civilian labor force; women of this age numbered 52,586,000--42.2% of the total. The balance is made up of both sexes, age 16 to 19.

Jobless rates (seasonally adjusted) reported by the Bureau of Labor Statistics for individual worker groups as of December 1989, were relatively unchanged for older groups (age 20 and over) compared with December 1988, but were higher among younger people. Modest increases in the size of the labor force are factors in holding up unemployment rates.

Employment Status of the Civilian Population By Sex and Age
December 1988, 1989
(Seasonally adjusted numbers in millions)

	Civilian Population*		In Civilian Labor Force		Employed		Employment/ Population Ratio		Unemployment Rate	
	1989	1988	1989	1988	1989	1988	1989	1988	1989	1988
As of December:										
Total age 16 & over	187.2	185.4	124.0	122.1	117.7	116.0	62.9	62.6	5.1	5.0
20 years & over:										
Men	82.1	81.0	63.8	62.8	60.9	59.9	74.2	73.9	4.6	4.7
Women	91.0	89.9	52.8	51.8	50.5	49.6	55.4	55.1	4.4	4.2
Both sexes, age 16-19	14.1	14.4	7.4	7.5	6.4	6.5	45.3	45.1	14.1	13.6

* Population figures are not seasonally adjusted. Covers noninstitutional civilians.

Source: U.S. Bureau of Labor Statistics:
The Employment Situation, January 1990

EMPLOYMENT TRENDS

The unemployment rate for men and women age 16 to 19 in December was 14.1. The annual average for 1988 was 15.3; in 1987, 16.9; and a high of 23.2 in 1982.

Putting the adult unemployment rates in perspective: average annual rates for men age 20 and over averaged 4.8 in 1988; 5.4 in 1987; a high of 8.9 in 1983. For women, averages were 4.9 in 1988, 5.4 in 1987; a high of 8.0 in 1975. The percent of the working-age population that was employed in 1989 reached a record high.

The BLS reports reflect a general slowdown in job growth, reflecting the slow pace at which the general economy is growing. The number of jobs rose by an average of only 145,000 a month in the fourth quarter of 1989, which was the poorest quarter since 1986. In the first quarter of 1989, the average monthly rise was 265,000. The manufacturing component continued its steady downward slide; health service jobs continued to register above average but only moderate growth.

The number of men and women in occupational groups--1988 and 1987 averages--and median earnings are covered in the foregoing table on Median Income of Men & Women By Selected Characteristics. Cutbacks in employment income of the higher occupational groups are prevalent as 1989 comes to a close--particularly in the financial community; also in retail trade. Growth in employment and earnings in these areas, and in services in general will definitely slow down in 1990.

HOUSEHOLDS/FAMILIES

Population

As of March 1989, there were 92.8 million households in the U.S,, 12.1 million over the count for 1980 and 1.8 million over 1988. In the 1980s, the number of households increased at an average 1.5% a year, compared with the 2.4% rate of gain in the 1970s. Nonfamily households have registered the greatest increase, with an average 2.7% gain in 1980-1989. The rate of gain for family households was only 1.1%.

Household Composition: 1970, 1980, 1989
(Numbers in thousands)

	1989		1980		1970		% Change
	Number	%	Number	%	Number	%	1989/80
All households*	92,830	100.0%	80,776	100.0%	63,401	100.0%	14.9%
Family households	65,837	70.9	59,550	73.7	51,456	81.2	10.6
Married-couple family	52,100	56.1	49,112	60.8	44,728	70.5	6.1
Other family:							
Male householder	2,847	3.1	1,733	2.1	1,228	1.9	64.3
Female householder	10,890	11.7	8,705	10.8	5,500	8.7	25.1
Nonfamily households	26,994	29.1	21,226	26.3	11,945	18.8	27.2
Living alone (householder)	22,708	24.5	18,296	22.7	10,851	17.1	24.1
Male householder	11,874	12.8	8,807	10.9	4,063	6.4	34.8
Female householder	15,120	16.3	12,419	15.4	7,882	12.4	21.7
Average # of persons:							
Under 18 years	0.69		0.79		1.09		
18 years & over	1.93		1.97		2.05		

* The number of households is determined by the number of householders--the person (or one of the persons) in whose name the housing unit is owned or rented (maintained), or who is generally designated the "reference person" for a group living together.

Source: U.S. Bureau of the Census: Current Population Reports,
Series P-20, No. 441

HOUSEHOLDS/FAMILIES

Population (continued)

The drop in household size is closely related to the drop in the average number of children under age 18, as noted above. For families the average number fell from 1.34 in 1970 to 0.96 in 1989. Another important factor is the increase in single-person households.

Shifts that have occurred in family and total household composition, along with economic developments, have had a major impact on consumer markets. Many of the trends noted in recent years--fewer children, more families headed by a single parent (particularly women), the growth in nonfamily households, including single person households, which have created new market opportunity in some areas, losses in others, will continue. Factored in must be the changing age composition of households--the aging of the population, and growth in minority households.

Three years ago the Census Bureau compiled a set of three projections, based on different assumptions on the future course in household growth and composition up to year 2000. Each series implied a decline in the annual rate of increase, with total counts ranging from a high of 110.2 million household by year 2000 to a low of 102.4 million. The annual total of new household formations may dip to 1.1 million in 1995, compared with 1.7 million in 1980.

The following is the profile of the Middle Series, which anticipated a total of 105,933,000 households by year 2000.

Projected Distribution of Households By Type: 1995, 2000
(Series B Projections; Number in millions)

			Family Households				Nonfamily Households		
					Other Family				
	All Households			Married	Male	Female		Male	Female
Year	Number	Percent	Total	Couple	Hshldr.	Hshldr.	Total	Hshldr.	Hshldr.
1995	100.3	100.0%	69.6%	54.7%	2.9%	11.9%	30.4%	13.6%	16.8%
2000	105.9	100.0	68.2	53.1	3.1	12.0	31.8	14.6	17.2

Source: U.S. Bureau of the Census: Current Population Reports,
Series P-25, No. 986

A significant trend is the continuing decline of married couple families, which provide the strongest target for many marketers of consumer products and which have the highest median income.

The population per household in year 2000, based on the middle series of population and of household projections, anticipated an average 0.63 under 18 years (compared with 0.69 in 1989), and an average of 1.82 persons 18 years and over (compared with 1.93 in 1989).

The age composition of families will continue to be an important factor in market dynamics. Reversing the trend in the 1970s, the number of householders in the youngest age categories is declining. People born at the peak of the Baby Boom (1946-64) are now in their thirties; younger adults are not only fewer in number, but are also not forming their own households at rates noted in the past.

Household heads are now centered in age groups marked by peak earnings, with many major wants, such as purchases of homes, perhaps substantially satisfied. College tuitions for their children may soon be taken care of; more discretionary income may be available.

Population (continued)

Distribution of Households By Age of Householder: 1980, 1989 and Projected 2000
(Numbers in thousands)

	1980		1989		Middle Series Projections 2000	
	Number	%	Number	%	Number	%
All householders	80,776	100.0%	92,830	100.0%	105,933	100.0%
Under 25 years	6,569	8.1	5,415	5.9	4,442	4.2
25 to 29 years	9,252	11.5	9,625	10.4	7,801	7.4
30 to 34 years	9,252	11.5	11,300	12.2	10,203	9.6
35 to 44 years	13,980	17.3	19,953	21.5	25,339	23.9
45 to 54 years	12,654	15.7	14,018	15.1	21,603	20.4
55 to 64 years	12,525	15.5	12,805	13.8	13,903	13.1
65 to 74 years	10,112	12.5	11,590	12.5	11,516	10.9
75 years & over	6,432	8.0	8,126	8.8	11,126	10.5

Note: For a definition of "households" see p. 32.

Source: U.S. Bureau of the Census: Current Population Reports, Series P-25, No. 986; Series P-20, No. 441

According to the middle series of household projections, householders age 35 to 44 years will account for almost 24% of the total, and by year 2000, those age 45 to 54 will represent one out of five households.

Regional Location

The Census Bureau last reported detailed information on household counts by regions and states as of July 1, 1987. These figures showed the fastest growth in the West and South. The population per household in these regions was above the national average, generally below average in the Northeast and Midwest in 1987.

Estimates of Households and Average Population per Household For U.S. Regions and Divisions: 1980, 1987
(Numbers in thousands)

	Households			Population Change 1980-87	Average Population Per Hshld.*	
	Est. No. (July 1987)	Change, 1980-87 Number	%	%	1987	1980
United States	90,031	9,641	12.0%	7.4%	2.64	2.75
Northeast	18,768	1,297	7.4	2.3	2.61	2.74
New England	4,791	429	9.8	4.0	2.59	2.74
Middle Atlantic	13,976	867	6.6	1.8	2.61	2.74
Midwest	22,153	1,294	6.2	1.1	2.62	2.75
East North Central	15,495	841	5.7	0.5	2.64	2.78
West North Central	6,658	453	7.3	2.6	2.57	2.68
South	30,899	4,413	16.7	11.3	2.65	2.77
South Atlantic	15,655	2,495	19.0	12.8	2.59	2.73
East South Central	5,580	529	10.5	4.3	2.68	2.83
West South Central	9,665	1,389	16.8	13.3	2.72	2.80
West	18,211	2,637	16.9	15.1	2.66	2.71
Mountain	4,780	794	19.9	15.8	2.70	2.79
Pacific	13,431	1,843	15.9	14.9	2.65	2.68

* Based on the resident population minus the group quarters population.

Source: U.S. Bureau of the Census: Current Population Reports, Series P-25, No. 1024

Regional Location (continued)

The pattern in household growth is primarily determined by the location of population growth. Projections on population growth by region are covered in the section on POPULATION TRENDS & PROJECTIONS. There are, however, marked regional differences in the mix of expected household growth. While the number of married couple households is expected to decline in the Northeast and Midwest, according to a study by the Joint Center for Housing Studies of Harvard University (1986), these households will increase in the South and West by year 2000.

Regional differences in age structure account for much of this variation. Ages 30 to 54 account for the highest proportion of householders in married couple households. Compared with 1985, according to the Harvard study, by 2000 the population in this age range is projected to rise by 7.5 million in the South and 6.2 million in the West, but by only 1.3 million in the Northeast and Midwest combined. In the latter two regions, population increases are concentrated above 55 years of age, the stage of the life cycle when widowhood and divorce are most prevalent.

But the Northeast and Midwest are projected to receive a substantial share of the increase in one-person households, due in large part of the growth in the elderly population. Virtually all of the household growth projected for these two regions consists of single-person households.

Sex, Race & Hispanic Origin of Householder

While the number of family households of all races increased at an annual rate of 1.1% in the years 1980-1989, families headed by persons of Hispanic origin increased at an annual rate of 5.2%; Black householders, at 2.0%. Following population projections, growth in White households can be expected at a slower pace than noted for other races.

Family Households By Sex, Race & Hispanic Origin of Householder: 1980, 1989
(Number in thousands)

	1989		1980		Average Annual % Change
WHITE	Number	%	Number	%	1980-1989
Family households	56,492	100.0%	52,243	100.0%	0.9%
Married-couple families	46,876	83.0	44,751	85.7	0.5
Male householder, no wife present	2,274	4.0	1,441	2.8	5.1
Female householder, no husband present	7,342	13.0	6,052	11.6	2.1
BLACK					
Family households	7,409	100.0	6,184	100.0	2.0
Married-couple families	3,722	50.2	3,433	55.5	0.9
Male householder, no wife present	464	6.3	256	4.1	6.6
Female householder, no husband present	3,223	43.5	2,495	40.3	2.8
HISPANIC*					
Family households	4,823	100.0	3,029	100.0	5.2
Married-couple families	3,398	70.5	2,282	75.3	4.4
Male householder, no wife present	314	6.5	138	4.6	9.1
Female householder, no husband present	1,112	23.0	610	20.1	6.7

* Persons of Hispanic origin may be of any race.

Source: U.S. Bureau of the Census: Current Population Reports,
Series P-25, No. 986

Marketers of consumer goods, builders and developers, and purveyors of services are faced with major changes in the demographic profile of the population and of households in the years ahead. Some of these can be forecast with workable accuracy, particularly where such established trends as age composition or race are major factors. Marriage and divorce patterns seem unlikely to change sharply. But economic conditions--a key indicator for marketers--cannot be forecast with the same degree of confidence and economic measurements must constantly be reviewed and considered along with changes in demographics and life styles.

HOUSEHOLD/FAMILY INCOME

Median income for all U.S. households in 1988 was $27,255--4.5% over 1987s $26,061 in current dollars. For family households, the median in 1988 was $32,491--about 4% above 1987s median $31,247.

For all families, the Census Bureau reported median income in 1988 in current dollars at $32,191, and analyzed the growth in family income back to 1967 in real terms, adjusting for inflation. This showed a decline of 0.2% in real income in 1988 compared with 1987 versus a 3.9% rise when measured in current dollars. The 1987 measure of real median income was the highest noted in the 1967-1988 period.

Median Family Income: Selected Years, 1967-1988

Year	Current Dollars	1988 Dollars
1967	$ 7,933	$ 28,098
1970	9,867	30,084
1975	13,719	30,167
1980	21,023	30,192
1985	27,735	30,493
1986	29,458	31,796
1987	30,970	32,251
1988	32,191	32,191

Source: U.S. Bureau of the Census: Current Population Reports,
Series P-60, No. 166

The percent of U.S. households enjoying upper incomes ($50,000 and up) reached 20.8% in 1988, according to the Census Bureau. Measured in 1988 dollars, 18.2% of households were in this bracket in 1985, 15.7% in 1980.

Distribution of Households By Total Money Income: 1980, 1985, 1988
(Based on constant 1988 dollars)

			% Distribution of Income								
Year*	Hshlds. (thous.)	Total	Under $15,000	$15,000 24,999	$25,000 34,999	$35,000 49,999	$50,000 74,999	$75,000 99,999	$100,000 & Over	Median Income	Mean Income
1988	92,830	100%	27.3%	18.6%	16.0%	17.3%	13.4%	4.2%	3.2%	$27,255	$34,017
1985	88,458	100%	28.7	19.7	16.5	16.9	12.3	3.5	2.4	25,963	31,952
1980	82,368	100%	29.3	20.0	17.5	17.5	11.2	2.9	1.6	25,204	29,976

* Income in the year shown. Number of households as of March in the following year.

Source: U.S. Bureau of the Census: Current Population Reports,
Series P-60, No. 166

Median Income By Household Type

The median income of White households in 1988 was $28,781 compared with $16,407 for Black households (in current dollars). A profile of the median incomes of these groups by household type in 1988 compared with 1987 is detailed below.

HOUSEHOLD/FAMILY INCOME

Median Income by Household Type (continued)

Median Income of Households With Selected Characteristics, By Race: 1988, 1987

	1988		1987	
WHITE	Number (thous.)	Income	Number (thous.)	Income
All Households*	79,734	$28,781	78,519	$27,427
Region:				
Northeast	17,014	31,578	16,972	29,484
Midwest	20,206	28,875	20,057	26,844
South	25,811	26,949	25,170	26,326
West	16,703	29,160	16,321	28,370
Household type:				
Family households	56,492	34,222	56,086	32,678
Married couple families	46,877	36,883	46,510	35,493
Male householder**	2,274	30,689	2,279	28,086
Female householder**	7,342	18,685	7,297	18,083
Nonfamily households	23,242	16,932	22,433	15,696
Male householder	10,013	22,196	9,574	21,150
Living alone	7,716	19,584	7,400	18,202
Female householder	13,229	13,548	12,858	12,231
Living alone	11,798	12,115	11,525	11,176
Age of householder:				
Under 65	62,031	32,938	61,110	31,637
Under 25	4,448	18,486	4,463	17,543
25 to 34	17,581	30,206	17,384	28,809
35 to 44	16,881	38,257	16,435	36,472
45 to 54	11,973	40,386	11,551	39,508
55 to 64	11,148	30,588	11,278	29,430
65 & over	17,703	15,611	17,409	15,047
Number of earners:				
None	16,365	11,269	16,346	10,672
One	26,143	24,263	25,536	22,980
Two earners or more	37,226	41,916	36,636	40,493
Tenure:				
Owner occupied	53,737	34,063	52,767	32,624
Renter occupied	25,573	20,395	24,316	19,049
Occupier paid no cash rent	1,425	16,504	1,436	15,124
BLACK				
All Households*	10,561	$16,407	10,192	$15,672
Region:				
Northeast	1,853	19,108	1,769	17,735
Midwest	2,066	15,012	2,016	14,628
South	5,657	15,029	5,482	14,898
West	985	23,175	925	18,116
Household type:				
Family households	7,409	19,823	7,202	18,825
Married couple families	3,722	30,424	3,681	27,374
Male householder**	464	19,501	433	19,545
Female householder**	3,223	10,995	3,089	10,250
Nonfamily households	3,152	9,826	2,990	9,667
Male householder	1,508	13,010	1,420	11,865
Living alone	1,218	10,859	1,191	10,602
Female householder	1,644	7,489	1,569	7,354
Living alone	1,515	7,107	1,435	6,926
Age of householder:				
Under 65	8,840	18,682	8,446	17,641
Under 25	789	9,913	685	9,296
25 to 34	2,715	17,149	2,602	16,121
35 to 44	2,382	23,841	2,265	21,199
45 to 54	1,539	23,876	1,566	22,597
55 to 64	1,415	15,470	1,328	15,295
65 & over	1,721	8,308	1,746	8,970

HOUSEHOLD/FAMILY INCOME

Median Income by Household Type (continued)

Median Income of Households With Selected Characteristics, By Race: 1988, 1987
(continued)

BLACK	1988		1987	
	Number (thous.)	Income	Number (thous.)	Income
All Households* (cont'd.)				
Number of earners				
None	2,582	5,577	2,564	5,166
One	4,068	14,920	3,878	14,294
Two earners or more	3,911	34,006	3,751	31,259
Tenure:				
Owner occupied	4,417	23,672	3,337	22,414
Renter occupied	5,961	12,382	5,671	11,695
Occupier paid no cash rent	184	9,396	1,184	8,551

* Number of households as of March in the following year.
** No spouse present.

Source: U.S. Bureau of the Census: Current Population Reports, Series P-60, No. 166

Aggregate Income

The Census Bureau places the total aggregate income of households in 1987 at $2,988.8 billion, of which 80% came from earnings. Social security and railroad retirement benefits made up the second largest single source of income.

Aggregate Household Income By Type: 1987 (Revised)
(Billions of dollars)

	Income	%
Total income	$ 2,988.8	100.0%
Earnings, total	2,390.6	80.0
Wages & salaries	2,202.4	73.7
Self-employment income	172.6	5.8
Farm self-employment income	15.6	0.5
Other income, total	598.2	20.0
Social security and railroad retirement	178.7	6.0
Interest	134.8	4.5
Pensions	118.5	4.0
Dividends, rents and royalties, estates, trusts	75.2	2.5
Other (child support, alimony, public assistance, etc.)	91.0	3.0

Source: U.S. Bureau of the Census: Current Population Reports, Series P-60, No. 166

Household Share of Aggregate Income

In 1988, the top 20% of households held a 46.3% share of aggregate income. As noted in the table below, the concentration of income among the highest fifth of households was greater among Black and Hispanic households (although, of course, they are much fewer in number than White households).

Household Share of Aggregate Income (continued)

Share of Aggregate Income of Households, Families and Unrelated Individuals By Race & Hispanic Origin of Householder: 1988

		% Distribution of Aggregate Income						
	Number* (thous.)	Lowest fifth	Second fifth	Third fifth	Fourth fifth	Highest fifth	Top 5 %	Mean Income
Households								
All races	92,830	3.8%	9.6%	16.0%	24.2%	46.3%	18.3%	$34,017
White	79,734	4.1	10.0	16.2	24.1	45.6	18.0	35,468
Black	10,561	3.3	7.7	14.6	24.7	49.7	18.7	22,477
Hispanic**	5,910	3.7	9.3	15.6	24.2	47.2	19.0	25,993
Families								
All races	65,837	4.6	10.7	16.7	24.0	44.0	17.2	38,608
White	56,492	5.1	11.1	16.8	23.7	43.3	17.0	40,312
Black	7,409	3.3	8.5	15.2	25.1	47.9	17.7	25,316
Hispanic**	4,823	3.9	9.8	15.9	24.2	46.1	18.4	27,326
Unrelated Individuals								
All races	34,340	3.7	8.7	15.0	23.8	48.8	20.3	18,242
White	29,315	3.9	9.0	15.1	23.7	48.3	20.0	19,003
Black	4,095	3.2	8.2	13.7	25.1	49.8	19.0	12,611
Hispanic**	1,864	2.5	8.7	14.8	24.2	49.8	20.0	13,145

* Number is as of March 1989.
** Hispanics may be of any race.

Source: U.S. Bureau of the Census: Current Population Reports,
Series P-60, No. 166

Considerable attention has been paid in recent years by economists to evidence that the rich are getting richer, the poor getting poorer, while the middle group is disappearing. After the longest peacetime expansion in gross national product ever, income inequality at the close of 1989 was greater than during the 1981-82 recession, and much greater than in 1973.

In March 1989, the House Ways and Means Committee released a study showing that between 1979 and 1987 the average household income of the poorest fifth of Americans fell from $5,439 to $5,107 (-6.1%) in 1987 dollars, while that of the richest rose from $61,917 to $68,775 (+11.1%). In the years between 1973 and 1978, there was an 11.8% loss in income for the poorest fifth and a 24.1% gain for the richest in real dollar terms.

A study published in the May 1989 proceedings of the American Economic Association shows that since 1973 the ranks of those they define as "the rich-- families with incomes exceeding nine times the poverty line--have more than doubled, from 3.1% in 1973 to 6.9% of families in 1987.

A point made in this study was that the most important factor in the increased income of the richest 10% of families has been the money earned by working wives, who accounted for more than 50% of income growth in these families. Marital status, then, as well as age, years of education and work status are important factors in household income distribution patterns. Increased property income accounted for only 22.2% of growth in average income of the top 10% of families, but represented half the increase among the very richest families.

Household Share of Aggregate Income (continued)

The share of income accounted for by the highest fifth of all families, according to the AEA study was 41.1% in 1973; in 1988, as noted in the above table, it was 44%. In this span, the share of income held by the lowest fifth dropped from 5.5% to 4.6%.

The Census Bureau issued data in December 1988 on the effect of government benefit programs compared with taxes on income distribution and lowering inequality. This analysis concluded that the former (particularly social security) is a greater factor than the latter. This report, unlike other reports on distribution of income, included realized capital gains and employer-provided health insurance.

After taxes and government programs, the share of income to the richest 20% of households dropped from 52.4% to 45.7% (6.7 points). The percentage of people living in poverty was reduced from 19.9% to 11.6% (8.3 points).

Effect of Taxes and Government Benefits on Income Distribution & Poverty Rate

	Before All Govt. Programs*	After Taxes; Before Govt. Programs	After Taxes & Govt. Programs
Share of income:			
To richest 20% of households	52.4%	50.3%	45.7%
To middle 60% of households	46.7	48.6	49.6
To poorest 20% of households	1.0	1.1	4.7
Percentage of people living in poverty	19.0	21.2	11.6

* Includes all money from private sources, including realized capital gains and employer-provided health insurance--1986 data.

Source: U.S. Bureau of the Census, Wall Street Journal
(December 28, 1988)

According to the Tax Foundation, the top 5% of taxpayers--those with adjusted gross income above $71,125--paid 43% of all 1987 personal income taxes, at an average rate of 22.4%. (Wall Street Journal, June 28, 1989.)

Discretionary Income

About 30% of American households have income above that required for "comfortable" living, according to a report issued in May 1989 which was prepared jointly by the Bureau of the Census and The Conference Board. The report defines the amount of income after payment of taxes and normal household expenditures as discretionary, and such income totaled $319 billion, as measured in the Census Bureau's March 1987 Current Population Survey.

The study provides details on discretionary income according to householder's age, education, race, etc., household size, number of earners, and other breakdowns, including the nine geographic regions. It is the third in a series of such reports, updating data collected in 1983 and 1972-73.

Households with two or more earners account for 65% of all U.S. discretionary income, according to the latest study. Most of this income is in families where both husband and wife are working. The concentration of buying power is again confirmed: while only 17% of U.S. households have pre-tax income of $50,000 or more (1986), they control close to 80% of discretionary income.

While slightly over a fifth of all householders have a college degree, they account for more than half of all discretionary income. Householders under age 35 and those over 65 hold a disproportionately small share of discretionary buying power; however, older households have a relatively high discretionary income per person because of their smaller average household size. Homeowners are twice as likely as renters to have money available for discretionary spending.

HOUSEHOLDS/FAMILY INCOME

Discretionary Income (continued)

Households By Income Group With Discretionary Income: 1987

	Households		Average Income		Discretionary Income		
	Number (thous.)	% of All Households	Before Taxes	After Taxes	Aggregate (billions)	Average	Per Capita
Total	25,869	28.9%	$56,605	$41,940	$319.0	$12,332	$4,633
Income group:*							
Under $15,000	197	0.7	13,855	13,213	0.2	1,014	890
$15,000-$19,999	694	7.5	17,570	16,108	1.6	2,304	1,962
$20,000-$24,999	1,011	11.7	22,558	19,303	3.5	3,438	2,474
$25,000-$29,999	1,662	21.5	27,460	22,733	6.2	3,737	2,328
$30,000-$34,999	2,248	31.8	32,327	26,323	10.6	4,700	2,404
$35,000-$39,999	2,278	37.4	37,453	29,990	13.3	5,841	2,480
$40,000-$49,999	4,807	55.5	44,767	35,190	32.4	6,746	2,500
$50,000-$74,999	8,146	80.8	60,163	45,618	93.6	11,493	3,761
$75,000-$99,999	2,885	100.0	84,785	61,466	65.8	22,818	6,830
$100,00 & over	1,940	100.0	140,759	86,745	91.8	47,320	14,163

* Income in 1986; household counts as of March 1987.

Source: U.S. Bureau of the Census and The Conference Board:
A Marketer's Guide to Discretionary Income (May 1989)

HOUSEHOLD WEALTH/ASSETS

Of course current income is but one aspect of economic well-being. Households are the largest holders of all U.S. assets--controlling $18.6 trillion worth, according to figures released in December 1989 by The Conference Board. Housing accounted for nearly half of total tangible assets (which include residential structures, consumer durables, equipment, inventories, and land). Homes alone, account for 29% of consumer wealth according to Kemper Financial Services. Approximately 35% of all household assets were tangible assets, 65% were financial assets (currency and deposits, loans, etc.).

According to a leading theory of consumer behavior--the life-cycle hypothesis--the household plans its present and future consumption based on expected lifetime resources--including current and future labor income, current financial assets and nonfinancial assets. In this context, the current decline in the rate of increase in home values is not a good omen.

A detailed survey of household assets was compiled for 1983 and again for 1986 by the University of Michigan's Survey Research Center for the Federal Reserve Board. A new survey was undertaken in 1989, and preliminary findings will be available in late 1990.

In 1986, the median net worth of American households (gross assets less debts) amounted to $44,000; the average was $145,000 due to the fact that a relatively small number of households hold a major share of assets. In 1986, 3% of the households (those with annual incomes of $100,000 and over) held a 34.9% share of wealth (household net worth), a 20.2% share of household income. The median net worth of this group was $632,000; the average net worth, $1.7 million.

The overall percent of households owning various assets and their median value in 1986 showed the following pattern:

HOUSEHOLD WEALTH/ASSETS

Types of Assets and Debts Held By U.S. Households in 1986

ASSETS	% of Households Owning	Median Value	Average Value	Share of Assets
Home	65.7%	$ 60,000	$ 80,650	31.4
Other real estate	22.4	42,574	118,892	15.8
Business assets	12.4	41,469	210,310	15.5
Stocks	19.3	6,000	81,367	9.3
Cash values of holdings	45.7	2,839	22,282	6.0
CDs and money market accounts	27.9	10,000	31,575	5.2
Automobiles	85.9	5,299	7,964	4.1
Checking and savings accounts	89.2	2,000	7,445	3.9
Bonds	20.2	1,200	28,116	3.4
IRAs, Keoghs	27.3	6,949	18,752	3.0
DEBTS				
Home mortgage	38.4%	$ 26,034	$ 34,564	--
Other debt	64.6	3,837	15,881	--
NET WORTH	--	43,808	145,218	--

Source: Federal Reserve Board: 1986 Survey of Consumer Finances

The pattern in ownership of assets varies by demographic characteristics, as well as income level. For example, overall value increases with age, with the exception of the value of homes and cars. It also varies by race. A report on the distribution of net worth of middle class Black and White households (annual incomes of $24,000 to $48,000), was compiled by Money magazine in 1989, updating a 1984 study prepared by the University of Maryland for the National Research Council's Committee on the Status of Black Americans.

Ownership of Assets By White and Black Households With Annual Incomes of $24,000 to $48,000: 1988 Dollars

	White		Black	
	% of Households Owning	Median Value	% of Households Owning	Median Value
Home equity	74%	$48,620	59%	$32,146
Real estate investment	20	28,600	11	41,756
Equity in a business	11	15,936	4	6,578
Stocks and mutual funds	24	4,004	9	3,157
IRA and Keogh	27	5,034	11	2,288
Savings accounts, CDs	84	3,302	70	1,143
Money market funds, bonds	10	6,864	3	953

Source: Money, December 1989

Home Ownership

Overall in 1988, according to the Census Bureau, 63.9% of all U.S. householders (heads) were homeowners, down from 68% in 1980; and 64.9% in 1983. Since so many industries are dependent on homeowners for growth, the future trend is of concern. On one side is the diminishing rate of growth in new household formations, and particularly of married-couple families which are the key group of homeowners. Add to that the continued rise in the cost of homes (the median price of a new home as of November 1989 was $127,000; for existing homes, $93,000), in the face of rising costs of necessities.

Home Ownership (continued)

On the other side, a favorable aspect is in the aging of householders, as those over 35 are most likely to be homeowners. But at some point, as this market matures, there will be a saturation level that will be hard to overcome. Particularly if homeowners have difficulty in selling an existing home to trade up to another with fewer first-time buyers available--a condition already noted in the housing market.

Homeownership By Type of Household: 1980, 1983, 1988
(Numbers in thousands)

	1988	1983	1980
All households	91,066	83,918	79,108
Percent homeowners, total	63.9%	64.9%	68.0%
Families:	51.2	53.0	55.8
Married couple	44.3	46.3	48.8
Male householder*	1.7	1.4	1.4
Female householder*	5.2	5.3	5.6
Nonfamily householders	12.7	11.1	12.3
Male householder	4.7	4.2	4.4
Female householder	8.0	7.7	7.9

* Spouse not present.

Source: U.S. Bureau of the Census: Current Population Reports

Homeownership By Age of Householder: 1980, 1983, 1988

	1988	1983	1980
Homeowners % of householders	63.9%	64.9%	68.0%
Age groups:			
Under 20	7.3	9.9	14.4
20 to 24	16.3	20.0	27.7
25 to 29	36.2	38.2	46.5
30 to 34	52.6	55.7	63.4
35 to 39	63.2	65.8	72.8
40 to 44	71.4	74.1	76.3
45 to 54	76.0	77.1	79.9
55 to 64	79.6	80.4	81.5
65 & older	75.0	74.8	74.1

Source: U.S. Bureau of the Census: Current Population Reports: Household and Family Characteristics

With home equity accounting for almost half of household net worth, the changing real estate market will create great ripples in the economy. The sharp gains in value looked for in the past are gone. Younger people will not be as attracted to owning a home as in the past; older homeowners may have to adjust retirement plans if they have been counting on growth rates in house value well above the inflation rate.

HOUSEHOLD SPENDING PATTERNS

The Bureau of Labor Statistics, Department of Labor, conducts quarterly surveys, through interviews and diaries, to develop patterns in spending by consumer units. A "consumer unit" consists of a household, including single person households, as well as a single person who is financially independent sharing a household with others. It will be noted that this differs somewhat from the definition of households, resulting in a higher count. The BLS universe of consumer units totaled 94,150,000 in the 1987 surveys.

The BLS reports average quarterly and average annual expenditures for goods, Services, and miscellaneous expenses per consumer unit. The averages reported are based on consumer units with specified characteristics, regardless of whether or not a particular unit incurred an expense for that specific item during the recordkeeping period. It is not an average for just those making the purchase of a specified item.

The characteristics by which consumer units and their average expenditures are classified by the BLS include the following: size of consumer unit (number of persons); age of reference person (head); income before taxes, region of residence, type of household, number of earners, housing tenure, occupation and race of reference person. Thus a wealth of information is being developed on differences in spending patterns.

For example, in the Monthly Labor Review, December 1989, the BLS explored findings for 1986-87 on the spending patterns of white collar and blue collar workers. Self-employed workers were not included in the analysis.

The U.S. labor force, and its living arrangements, have changed substantially with the increase in female workers. Many dual earner families have been able to move to the suburbs. The average work week, including commuting time, has jumped from 41 hours to nearly 47 hours. In some professions involving high-income consumers, such as law, finance and medicine, 80-hour-plus work weeks are common. The BLS states that the amount of leisure time enjoyed by the average American has shrunk 37% since 1973.

The average size of households headed by blue collar workers is larger than noted for white collar workers and income is lower. Thus a higher percentage of total spending by the former goes for gfood at home. Managers and professionals spend a higher share on food away from home. they also spend a higher share on men's clothing and on women's clothing than noted for other occupational groups.

These are important factors in changing patterns in spending and in lifestyles, in various occupational groups. Vacations have shortened; Sunday is for shopping.

Aside from obvious needs based on occupations, however, income is the driving force in determining the level of expense for all expenditure categories investigated by the BLS.

Following is a summary of the distribution of average annual expenditure by major classifications based on level of income reported by 81,070,000 consumer units (those out of the 94,150,000 total who reported details on income) in 1987.

Consumer units accounting for the lowest 40% of income before taxes averaged a much greater share of spending on housing than the more affluent. A greater share of expenditures, as expected, went for necessities including food and health care.

Spending Patterns By Quintiles of Income Before Taxes: 1987
Based on Average Annual Expenditures of Reporting Consumer Units

	Lowest 20%	Second 20%	Third 20%	Fourth 20%	Highest 20%
Average income reported (before taxes)	$ 4,611	$11,954	$20,943	$33,276	$65,750
Average number of persons in consuer unit	1.8	2.2	2.6	2.0	3.2
Average number of earners	0.6	0.9	1.4	1.7	2.1
% homeowners	39.7%	51.2%	58.7%	73.0%	86.2%
Average annual expenditure	$10,355	$15,686	$21,708	$29,603	$46,470
Percent	100.0%	100.0%	100.0%	100.0%	100.0%
By type:					
Food:					
At home	12.8	11.7	9.5	8.2	6.6
Away from home	5.7	6.0	7.0	6.4	6.7
Alcoholic beverages	1.2	1.2	1.5	1.1	1.2
Housing, total	36.9	32.6	29.9	28.8	29.1
Shelter:	20.3	17.6	16.0	15.4	16.0
Owned	6.6	6.4	7.2	9.5	11.7
Rented	12.3	10.1	7.7	4.5	1.8
Other	1.4	1.1	1.1	1.4	2.5
Utilities, household supplies, operations	13.4	11.6	10.3	9.2	8.2
Homefurnishing equipment	3.2	3.4	3.6	4.2	4.9
Apparel & services	5.3	6.0	5.6	6.2	5.9
Transporation	15.0	18.6	19.1	20.0	18.1
Vehicle purchases	5.9	7.7	8.3	9.1	8.1
Health care	7.1	6.8	5.3	4.1	3.3
Entertainment	3.7	3.8	4.9	5.0	5.4
Personal care & products	1.4	1.5	1.5	1.3	1.3
Other products & services, etc.	10.9	11.8	15.7	18.9	22.4

Source: Based on U.S. Bureau of Labor Statistics:
1987 Survey of Consumer Expenditures

RETAIL SALES

Total sales for all retail stores in the U.S. in 1989 have been estimated at $1.7 trillion by the Department of Commerce. This is about 5% above the 1988 figure in current dollars. Sales in major store types were reported as noted below. The sales reported are subject to revision in the Spring of 1990 utilizing results from the 1987 Census of Retail Trade and the 1988 Annual Retail Trade Survey.

Estimated Retail Sales By Major Kind of Business: 1988, 1989

(Millions of dollars)

	1989	1988	% Change 1989/88
Retail trade, total	$1,711,057	$1,629,150	5.0%
Total (excl. automotive group)	1,334,710	1,260,122	5.9
Durable goods stores, total*	648,666	628,543	3.2
Building materials group stores	90,296	88,894	1.6
Automotive dealers, etc.	376,347	369,028	2.0
Furniture group stores	99,339	92,952	6.9
Furniture/homefurnishings stores	47,326	45,836	3.3
Furniture stores	28,266	27,884	1.4
Floor covering stores	10,915	10,774	1.3
Household appliance, radio, TV stores	44,793	40,569	10.4
Household appliance stores	9,945	10,313	- 3.6
Radio and television stores	34,848	30,256	15.2
Sporting goods stores, bicycle shops	16,101	15,140	6.3
Book stores	5,854	5,442	7.6
Jewelry stores	12,874	12,575	2.4
Nondurable goods stores*	1,062,391	1,000,607	6.2
General merchandise group stores	193,763	183,783	5.4
Department stores (excl. leased depts.)	162,664	154,039	5.6
Department stores (incl. leased depts.)	167,953	159,571	5.3
Conventional department stores	52,012	49,545	5.0
Discount department stores	79,772	74,644	6.9
National chain department stores	36,169	35,382	2.2
Variety stores	8,123	8,154	0.4
Miscellaneous general mdse. stores	22,976	21,590	6.4
Food group stores	355,028	331,892	7.0
Grocery stores	332,962	310,724	7.2
Apparel & accessory stores	87,816	82,028	7.1
Men's, boys' clothing, furnishings stores	9,315	9,273	0.5
Women's apparel specialty stores, incl. furriers	33,469	31,913	4.9
Women's ready-to-wear stores	30,186	28,931	4.3
Family clothing stores	22,583	20,874	8.2
Shoe stores	15,703	14,473	8.5
Eating and drinking places	164,627	157,504	4.5
Drug & proprietary stores	62,605	58,729	6.6
Liquor stores	19,534	19,143	2.0
Nonstore retailers**	33,856	30,988	9.3
Mail-order houses (dept. store mdse.)	3,473	3,449	0.7
Other mail order	15,977	14,062	13.6
Fuel and ice dealers	19,910	18,947	5.1

* Includes store types not separately reported.

** Includes establishments primarily selling merchandise through coin-operated vending machines, by house-to-house canvass, and from mail order/telephone.

Source: U.S. Department of Commerce, Census Bureau: Monthly Retail Trade

SCHEDULE OF ADDITIONAL FACT FILES

The Children's Market: Infants', Toddlers', Girls' and Boys' (Apparel, Juvenile Products, Toys/Dolls): Covers demographic trends affecting this market, including births, population projections by age, and charac- teristics of households with children. Includes detailed information on the U.S. children's wear industry, including production and shipments, foreign trade and price trends. Also covered are market trends for juvenile products (cribs, strollers, etc.) and for toys, games and dolls.

Consumer Market Developments (1989 Edition): An overview of all facets of the consumer market. Within the framework of population and income groups, the markets for children's products, for young adults and for the mature are defined in terms of numbers and buying power. Trends and projections are inclued as well as an analysis of developments that are shaping the U.S. consumer market--living arrangements, households, working women, marriage and birth rates, etc. Trends in personal consumption expenditures are also covered.

Department Store Sales (1989 Edition): Outlines ownership change/ reorganizations in the past year affecting major department and specialty stores. Buying headquarter locations of stores are listed with information on sales and number of outlets included in this total. Notes are included on plans to open and/or close stores. Sales and outlet information is separately listed for corporate headquarter and for national chains.

Dresses (Women's, Misses' & Juniors'): At the manufacturer level, provides a statistical profile of the dress industry and the products made within this industry, including dresses, washable service apparel, ensembles, etc. Includes number and size of manufacturers, production, and value of shipments, industry location and trends in employment levels. Analyzed is the governing impact of imports on total U.S. market supply. Reatil sales by major type of retail outlet are covered, as well as growth in the size of the consumer market, based on population counts, working women by type of occupation, and more.

Fashion Accessories (Men's and Women's): Covers developments in the U.S. industry, in imports and in retail sales for fashion accessories, including small leather goods, handbags, millinery, scarves, gloves, belts, jewelry, sunglasses, watches, etc., to the extent that statistical information is available. Included are production and shipments by U.S. manufacturers plus the quantity and value of imports in recent periods. Retail sales and operating results in department and specialty stores are reported, as well as summaries of available studies on consumer buying preferences.

Footwear (Men's, Women's, Boys', Girls') (A 1989 Edition): A statistical summary of the U.S. footwear industry and U.S. market. Covers domestic production and shipments, and details trends in imports and their share of the dnd trends in the market aromestic market, with information on major types of footwear. Includes information on sales trends and operating/merchandising results for shoe departments.

Home Textiles & Related Products: Includes the latest statistics on the U.S. industry, including manufacturers of a wide variety of products--bed linens, towels, blankets, comforters, slip covers, pillows, curtains/ draperies and hardware, shades and blinds. Covers the changing competitive nature of the industry through acquisitions of major producers and through consolidation of buying power at the retail level. Includes information on production, shipments and retail sales.

Hosiery/Legwear/Bodywear (Men's, Women's, Boys' Girls'): A comprehensive report on mills making hosiery and related products, including production and shipments, fiber consumption, producer price trends. The growing trend in imports is also covered. At the consumer level, the size of the potential market is measured in terms of population counts and projections and estimates are included on retail sales of major products by type of retail outlet.

Household Appliances, Electric Housewares: Covers a broad range of products included in these two classifications at the manufacturer and at the retail level. Provides a statistical profile of the U.S. industry in terms of number of manufacturers, production, shipments, exports. Imports are detailed, as well as information on export markets. Covers retail sales and merchandising results and information on appliance/radio/TV stores.

Household Furniture and Bedding: Provides an overall view of market trends in the U.S. For the U.S. industry, the report covers statistics on manufacturers, on production and shipments in terms of quantity and value by type of furniture. Trends in the concentration levels in the U.S. industry are reported, as well as in employment and earnings in the industry. Also included is information on the industry in leading states. Consumer market information includes data on characteristics of new housing units (number of rooms); also trends in consumer expenditures for furniture, sales by type of outlet. Details on furniture stores, including the 25 leaders, are also covered.

Men's Clothing and Furnishings: Provides a summary of major market trends in the men's furnishings/work/career apparel area and the tailored clothing areas, as well as in the rainwear area. Covers production and shipment information, employment trends, manufacturer concentration levels, location of the industries. Also examines import/export material. There's a look at the consumer market, plus in-depth details covering the retail level including sales and operating results for men's furnishings /work,/career apparel/and tailored wear in both department and men's wear stores.

Men's Sportswear, Casual Wear, Outerwear: The wide variety of men's wear items included are covered from available statistical information on the industry at the manufacturer, retailer and consumer levels. Included is information on production and shipments by domestic producers, imports and exports. The retail market is covered in sales estimates and data on major outlet types, as well as studies of consumer buying practices.

The Sports/Fitness/Leisure Markets: Covers details on U.S. manufacturers in the sporting goods/athletic goods industry, concentrating on products sold through retail outlets such as sporting goods stores and general merchandise stores, as well as functional athletic footwear and apparel. Includes quantity and value of shipments of specified products, concentration of shipments among leading manufacturers, and trends in producer prices. Imports of specified sporting and athletic goods are covered. At the consumer level, data includes statistics and sports participation levels and purchases of specific sports equipment. Also buying habits in relation to activewear and sports equipment.

Sportswear, Casual Wear, Separates (Women's, Misses' and Juniors'): A statistical view of this segment of the women's wear industry is provided, including data on production and value of shipments, imports of major categories, sales by type of outlet, seasonal patterns, and consumer buying habits.

The Textile/Apparel Industries: Provides an overview of the U.S. textile and apparel industries, their current problems and programs to improve their competitive position in the U.S. market and abroad. Covers a statistical profile of each industry in terms of number of manufacturers, concentration levels, production and shipments, including exports. Trends in imports in terms of quantity and value are detailed, as well as quota developments. Also included is information on plant and equipment expenditures and on mill machinery in place in U.S. mills.

Toiletries, Cosmetics, Fragrances and Beauty Aids: A detailed view of the U.S. industry, leading manufacturers, sales of products for both men and women, trends in industry employment and earnings, advertising expenditures and foreign trade. Consumer expenditures by product are detailed as well as retail sales by outlet type, and consumer buying patterns and usage in regard to specified products.

Women's Inner Fashions: Nightwear, Daywear and Loungewear: An analysis of statistical information available on the industry and market, from manufacturer through to consumer. Includes the latest available data on U.S. production, shipments and exports; and details on imports. Retail sales and operating results in department and specialty stores are covered, as well as trends in producer and consumer prices. Developments in the size of the consumer market and trends in the market aromestic market, with information on major types of footwear. Includes information on sales trends and operating/merchandising results for shoe departments.

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Distributed Through
Book Division
Fairchild Publications
Division of Capital Cities Media, Inc.
New York

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Standard Book Number: 87005-718-9

Printed in the United States of America

HOME TEXTILES & RELATED PRODUCTS

BROAD TRENDS

Total sales of home textiles were $14 billion at retail in 1989. This includes: domestics, mainly sheets & towels; miscellaneous home furnishings products like bedspreads and comforters, shower curtains, table cloths and napkins, bags for laundry or for general storage, pillows both decorative and for beds; curtains and draperies; and alternative window treatment products such as shades, blinds, woven woods and hardware for curtains and draperies.

In general, business trends for the entire industry have been quite favorable. During the five-year period from 1982 to 1987, the value of industry shipments advanced by 42.7% as shown in the consolidated table below, although there were some soft spots. Preliminary data for the major census year, 1987, shows the broad picture for the major divisions of the industry in wholesale prices.

Value of Shipments of the Major Home Furnishings Categories: 1982, 1987
(Figures in thousands of dollars)

	1987	1982	% Change 1987/82
Miscellaneous Home Textiles (SIC 2392)	4,480.6	3,262.2	37.3%
Curtains & Draperies (SIC 2391)	1,524.0	1,062.0	43.5
Drapery Hardware, Blinds & Shades (SIC 2591)	1,755.0	1,114.4	57.5
Total	7,759.9	5,438.6	42.7

Furthermore, the industry has not been as deeply penetrated by imports as have been the apparel trades. The explanations are various. Most exporting countries are held to restraining agreements, based on square yard equivalents. Since the "value added" in product fabrication is relatively low in the case of many home textiles like sheets or curtains, the exporting countries are motivated to concentrate on apparel like shirts or blouses where the value added by labor is much greater. Then, many home products, like draperies are produced in such wide ranges of colors, styles and sizes, that exporters would have to assume serious inventory risks. Since the industry has been less vulnerable to imports, large U.S. mills like Springs, WestPoint-Pepperell (Fruit of the Loom) and Bibb have concentrated on the home products market.

The industry increases shown in the consolidated table have not taken place, across the board. Production of sheets, pillow cases and terry towels have been flat or down. In domestics, the greatest growth has taken place in comforters and quilts.

Curtain production has held up well but draperies have been down. Alternate window treatment products like blinds, mini blinds, pleated shades and vertical louvers have scored major gains at the expense of traditional window coverings.

Broad Trends (continued)

In miscellaneous home products, the big winners have been decorative pillows and bedroom ensembles composed of coordinated draperies, bedspreads and/or comforters, shams, and dust ruffles.

The main developments in the production and marketing of sheets have been: the growing importance of high count percales; a trend toward a greater proportion of large sheets--queens in particular; a steady swing to greater cotton usage in both 100% cotton and reverse blends featuring more than 50% cotton. Imports of very high count all-cotton sheets, produced from Egyptian cotton and woven in Israel have attracted trade attention, but an unknown volume of sales. The domestic sheet industry is dominated by four large U.S. mills who account for 96% of domestic production.

Terry towel production was off in 1988, as shown in preliminary Census reports. This industry is also dominated by four large domestic mills who account for 88% of the production. There are some imports, mainly of embellished towels, which have shown some growth.

In the window treatment area, the decline in drapery production started with the boom in 1" mini blinds. This is believed to have peaked in 1987, but sales of vertical louver blinds have continued to grow. Shipments of all blinds grew by 95% in five years. In addition, a comparatively new product, pleated shades, are estimated by HFD (the weekly home furnishings newspaper), to have garnered sales in excess of $500 million at retail in 1989. Data on drapery shipments is incomplete and hard to interpret. This is because a substantial portion of total sales are "made-to-measure" or "custom-made". Such sales are not believed to be accurately reported to the Census Bureau.

The business of producing miscellaneous home furnishings products like napery, decorative pillows and chair pads is highly fragmented with many small producers and importers. Again, the trade figures have to be regarded with suspicion.

The distribution of the major home textile products is dominated by Sears and Penney. They account for 39% of the business, according to HFD. Mass merchandisers are next with 32%. Department stores have been losing share for some years. Some 100 retailers are estimated to account for 95% of total sales.

The purchase of home textiles depends on the number of adult families in the 35-55 age group; higher income levels; and the number of families composed of a medium number of persons--3 or 4. The decade of the 90s will see a large increase in the number of families in the 35-55 age group. Higher income levels depend on general prosperity which cannot be predicted at this time. However, the number of persons in the average family has tended to decline during the last half of the century.

Kurt Salmon and Associates are projecting increases of 1-3% for home textiles in 1990. However, given moderate prosperity for much of the decade, this short term projection would be low for much of the period.

AT THE MANUFACTURER LEVEL

GENERAL INDUSTRY STATISTICS

A complete census of all manufacturers in the U.S. with one or more paid employee is compiled by the U.S. Department of Commerce, Bureau of the Census, every five years. The latest census covers 1987 results, in preliminary form. In the intercensal years the Census Bureau conducts a survey among a sample of manufacturers in order to develop estimates on key measurements of manufacturing activity. The intercensal reports cover major product lines but often do not supply adequate data on categories like table napery, decorative pillows or curtains and draperies. Thus, the data available in the 1987 Census is very important in the home furnishings field.

The following tables cover results reported for manufacturing plants classified in the Home Textiles, Curtain & Draperies and Blind/Shade Industries, as defined by SIC codes, and based on the plants' or mills' primary product.

Total shipments of plants classified in the Home Textiles, n.e.c. category amounted to $4.48 billion in 1987. This was up 11% compared with the previous year and 37% as compared with the last major Census year of 1982. Curtains & Drapery shipments were down slightly in 1987 as compared with 1986 but 43.5% over 1982. Shipments of Drapery Hardware, Blinds & Shades advanced 11.8% in 1987 over 1986 but 57.5% as compared with 1982. This confirms the growing importance of alternative window treatments.

Home Textiles, n.e.c.
(SIC 2392*)

				% Change	
	1987	1986	1982	87/86	87/82
Number of companies	851	na	880	--	-3.4%
Number of establishments	931	na	958	--	-0.7
Number with 20 or more employees	396	na	399	--	ng
Employees, total (thous.)	49.2	48.5	49.3	ng	ng
Production workers (thous.)	41.3	39.8	39.8	3.7%	3.7
Payroll (mil. $)	$ 696.3	$ 649.6	518.2	7.1	34.4
Value added by manufacture (mil. $)#	1,732.2	1,412.0	1,249.0	22.7	36.7
Value of industry shipments (mil.$)##	4,480.6	4,035.7	3,262.2	11.0	37.0
Capital expenditures, new (mil. $)	43.5	43.5	38.8	-0-	12.1

Curtains & Draperies
(SIC 2391*)

				% Change	
	1987	1986	1982	87/86	87/82
Number of companies	1,200	na	1,327	--	-10.5%
Number of establishments	1,235	na	1,371	--	-11.0
Number with 20 or more employees	235	na	254	--	- 8.0
Employees, total (thous.)	26.6	27.8	24.1	-4.5	10.4
Production workers (thous.)	21.0	22.6	19.7	-7.6	6.6
Payroll (mil. $)	$ 336.8	$ 323.5	233.7	4.1	44.0
Value added by manufacture (mil. $)#	719.9	685.6	442.1	5.0	62.8
Value of industry shipments (mil.$)##	1,524.0	1,530.7	1,062.0	ng	43.5
Capital expenditures, new (mil. $)	13.3	10.4	6.3	ng	ng

Drapery Hardware, Blinds & Shades
(SIC 2591*)

				% Change	
	1987	1986	1982	87/86	87/82
Number of companies	na	na	404	--	--
Number of establishments	480	na	435	--	10.3%
Number with 20 or more employees	141	na	127	--	11.0
Employees, total (thous.)	20.4	18.2	15.7	12.1%	29.9
Production workers (thous.)	15.7	13.7	11.7	14.6	34.2
Payroll (mil. $)	$ 337.9	$ 296.2	223.7	14.0	51.0
Value added by manufacture (mil. $)#	888.3	748.5	556.6	18.8	59.6
Value of industry shipments (mil. $)##	1,755.3	1,570.6	1,114.4	11.8	57.0
Capital expenditures, new (mil. $)	23.6	15.9	31.3	48.4	-32.6

n.e.c. not elsewhere classified   na not available   ng negligible

* Manufacturers are classified by industry under the Standard Industrial Classification (SIC) system determined by the principal product made in reported establishments (plants), as shown below:

SIC 2391 covers establishments with paid employees primarily engaged in manufacturing curtains and draperies from purchased materials. Manufacturers of lace curtains made on lace machines are not included. Shower curtains are also classified separately.

SIC 2392 (officially designated "House Furnishings, n.e.c.") covers establishments with paid employees primarily engaged in manufacturing home textiles from purchased materials, including towels, sheets, blankets, comforters, bedspreads, pillowcases, pads; also slip covers, tablecloths (fabric and plastic), pillows, mops, garment bags, etc. Floor covering mills are not included. Weaving mills which also produce finished home textile products (sheets, tufted bath mats, blankets, etc.,) are not included in this industry, nor are electric blankets (made in the electric housewares industry). (Information on these products is, however, included in the section on PRODUCT SHIPMENTS.)

(footnotes continued)

(footnotes continued)

SIC 2591 covers establishments with paid employees primarily engaged in manufacturing curtain and drapery rods, poles and fixtures, venetian blinds and other window blinds and shades, regardless of the materials used, except canvas shades and awnings.

Value added by manufacture is derived by subtracting the cost of products bought for resale without further manufacture, the cost of piece goods and other materials, contract work, etc., from the value of shipments, with adjustments for finished product inventories. It avoids the duplication in value of production which results from the use of products of some manufacturing establishments as materials by others, and is for most purposes the best value measure of individual industries.

##Value of industry shipments includes, along with receipts for contract work, all items made by or for each establishment from materials owned by it, and also miscellaneous receipts. It includes both primary and secondary products made by manufacturers in these industries. The value of primary products alone of these industries, plus the value of shipments of home textiles or curtains, and draperies by manufacturers classified in other industries, is covered in the section on PRODUCT SHIPMENTS.

Source: U.S. Bureau of the Census: 1982, 1987 Census of Manufactures, 1986 Annual Survey of Manufactures

Employment & Earnings

Employment in U.S. mills and plants manufacturing home textiles was slightly higher in 1988 over the previous year and 13.6% up for the five year period. In the Curtain & Drapery industry, employment levels in 1988 were down slightly from the previous year and flat for the five years. Employment in Drapery Hardware and Blinds & Shades advanced by 12% for the year 1988 and by 30% for the major Census years 1987/1982. This again documents the growing importance of alternative window treatment products as compared with curtains & draperies.

Employment & Earnings (continued)

Employment & Earnings in Home Textiles Manufacturing: 1982, 1987, 1988

	Annual Averages			% Change
	1988	1987(r)	1982	1988/82
Home textiles, n.e.c. (SIC 2392)				
All employees (thous.)	53.5	52.0	47.1	13.6%
Production workers (thous.)	45.3	44.2	39.0	16.2
Average weekly earnings	$241.10	$238.34	$195.14	23.6
Average hourly earnings	6.23	6.08	5.10	22.2
Average weekly hours	38.7	39.2	37.6	2.9
Curtains & draperies (SIC 2391)				
All employees (thous.)	25.4	25.6	24.0	5.8
Production workers (thous.)	20.9	20.7	19.5	7.2
Average weekly earnings	$216.60	$218.48	$162.75	33.1
Average hourly earnings	6.00	5.78	4.65	29.0
Average weekly hours	36.1	37.8	35.0	3.1

(r) revised
n.e.c. not elsewhere classified

Source: Bureau of Labor Statistics: Employment & Earnings

Employment in Drapery Hardware and Blinds & Shades: 1982, 1987

	1987	1982	% Change 1987/82
Drapery Hardware and Blinds & Shades (SIC 2591)			
Total employment	20.4	15.7	29.9%
Production workers	15.7	11.7	34.2

Note: Data on earnings not available

Source: 1987 Census of Manufactures
(Preliminary Report)

Information on plants in terms of employment size is compiled annually by the Census Bureau and published in the County Business Patterns reports. There are many quite small plants in the Curtains and Draperies Industry. Many of these exist to serve the needs of fabric jobbers and retailers and decorators who operate in all metropolitan centers. These smaller plants, for the most part, are producing custom made draperies and allied products. However, the bulk of the business is done by larger firms employing 20 or more employees.

Employment & Earnings (continued)

Distribution of Plants Manufacturing Home Textiles & Related Products By Employment Size: 1986

Industry & Employment Size:	Plants		Employment (specify)	
	No.	%	No.	%
Home textiles, n.e.c.	843	100.0%	44,683	100.0%
Under 20 employees	(D)	(D)	(D)	(D)
20 - 99	247	29.3	11,389	25.5
100 - 499	114	13.5	22,833	51.0
500 or more	10	1.2	(D)	(D)
Curtains & draperies	1,254	100.0	25,308	100.0
Under 20	1,000	79.7	5,217	20.6
20 - 99	204	16.3	8,322	32.9
100 - 499	47	3.7	9,798	38.7
500 or more	3	0.2	1,971	7.8
Drapery hardware, blinds & shades	434	100.0	19,531	100.0
Under 20	(D)	(D)	(D)	(D)
20 - 99	92	21.2	4,168	21.3
100 - 249	26	6.0	3,855	19.7
250 - 499	16	3.7	5,656	29.0
500 - 999	6	1.9	(D)	(D)
1,000 or more	4	0.9	(D)	(D)

n.e.c. not elsewhere classified
(D) Withheld to avoid disclosure of individual operations.

Source: U.S. Bureau of the Census:
1986 County Business Patterns

Location of the Industry

The latest detailed information on U.S. manufactures by state are reported in the five-year Census of Manufactures. Data for 1982 shows that North Carolina and New York State lead in the production of home textiles, with California and Massachusetts also playing an important part in the production of curtains and draperies. In drapery hardware, and shades & blinds, California, Texas and Illinois were leading states in 1982. The pattern of industry location is believed to remain unchanged.

PRODUCTION

Quarterly and annual reports on production of sheets and terry towels by U.S. manufacturers are issued by the Census Bureau. As noted in the summary table below, production of sheets and pillow cases has held steady since 1985. There was little difference in the production rates of flat versus fitted sheets. Production of pillow cases has also been flat or down since 1985.

Terry towel output grew steadily from 1982 through 1987 but declined slightly in 1988. Preliminary data for 1989 indicates that towel production is running at the rate of around 53 million dozen, indicating that the 1988 down turn may have been cyclical.

Summary of Production of Sheets, Pillowcases & Terry Towels: 1975-1988
(Thousands of dozens)

	Sheets				
Year	Crib	Flat	Fitted	Pillowcases	Terry Towels
1988	418	8,794	6,194	12,502	47,183
1987	494	8,698	6,169	12,627	52,425
1986	520	8,610	5,923	12,312	50,182
1985	543	8,925	6,023	13,174	44,974
1984	653	10,149	6,324	15,147	46,954
1983	824	10,232	6,739	14,950	49,742
1982	642	8,937	5,908	12,382	41,117
1981	641	10,102	6,669	14,441	44,931
1980	694	9,932	6,599	14,694	43,957
1979	695	9,770	6,102	14,257	47,118
1978	659	10,310	6,494	13,727	44,976
1977	632	9,711	6,573	13,950	45,124
1976	732	9,836	6,968	13,964	45,556
1975	683	9,092	6,344	12,337	41,442

Source: U.S. Bureau of the Census:
Current Industrial Reports MQ23X(88)-5

Production of Selected Home Textiles by Type: 1987, 1988

	Unit of Measure	1988(p)	1987(r)	% Change 1988/87
Curtains, excl. shower	1,000 sets	130,013	128,287	1.3%
Lace		3,641	3,166	15.0
Other, principally woven		126,372	125,121	1.0
Cafe, tiered & cottage		71,441	70,734	1.0
Ruffled		6,970	6,901	1.0
Shortie drapes		12,120	12,000	1.0
Tailored		35,841	35,486	1.0
Drapery, upholstery & slip cover fabrics	1,000 lin. yds.	1,053,315	1,036,617	1.6
Drapery fabrics		551,626	562,884	- 2.0
Mainly woven		484,453	494,340	- 2.0
Lining, woven		67,173	68,544	- 2.0
Upholstery & slip cover fabrics	1,000 lin. yds.	501,689	473,733	5.9
Coated		41,211	43,380	- 5.3
Knit		4,121	4,338	- 5.3
Woven		37,090	39,042	- 5.3
Uncoated, principally woven		460,478	430,353	7.0
Window shades, woven, plastic & non-woven	1,000 units	24,645	24,162	2.0
Wall covering fabric (woven & non-woven)	1,000 sq. yds.	173,171	176,705	- 2.0
Slip covers, furniture, excl. plastic	1,000 units	4,920	4,973	- 1.0
Throw covers		3,820	3,825	--
Knit		1,100	1,148	- 4.4
Woven		3,440	3,442	--
Slip covers		1,100	1,148	- 4.4
Comforters & quilts, excl. filling	1,000 units	23,808	21,644	10.0
Bedspreads	1,000 units	26,556	27,844	- 4.9
Quilted		17,053	17,950	- 5.3
Tufted		2,080	2,080	--
Woven		7,423	7,814	- 5.3
Jacquard		3,059	3,220	- 5.3
Other woven		4,364	4,594	- 5.1
Mattress covers	1,000 units	2,704	2,677	1.0
Pads, quilted, excl. filling	1,000 units	28,949	28,716	0.8
Bassinet, crib & furniture, woven & plastic		4,800	4,806	--
Mattress, woven		24,149	23,910	1.0

(continued)

Production of Selected Home Textiles by Type: 1987, 1988
(continued)

	Unit of Measure	1988(p)	1987(r)	% Change 1988/87
Pillows & cushions, excl. filling, woven	1,000 units	46,630	46,353	0.6%
Bed		25,630	25,127	2.0
Decorative		21,000	21,226	- 1.0
Textile table cloths, napkins & place mats, excl. plastic	1,000 sq. yds.	134,850	131,396	2.6
Damask		17,776	15,840	12.2
Lace		20,582	19,602	5.0
Other, woven		96,492	95,954	0.6
Coated		20,846	21,057	- 1.0
Uncoated		75,646	74,897	1.0
Rugs & bathmats 6' x 9' or smaller	1,000 sq. yds.	69,258	67,900	2.0
Towels & washcloths, total	1,000 pounds	103,577	112,986	- 9.1
Terry		73,386	77,647	- 5.8
Towels		47,174	52,425	-11.1
Wash cloths		26,212	25,222	3.9
Other		30,191	35,339	-17.0
Blankets & blanketing	1,000 units	99,364	91,098	9.0
Bed		92,253	84,115	9.7
Thermal woven		29,849	27,384	9.0
Other woven & non-woven		62,404	56,731	10.0
Crib & receiving		7,111	6,983	1.8
Thermal woven		1,186	1,174	--
Other woven & non-woven		5,925	5,809	2.0

(p) preliminary (r) revised

Source: National Cotton Council of America: Cotton Counts Its Customers, 1989 Edition

Fiber Consumption

Consumption of textile fibers in U.S. production of home textiles and related products declined in 1988 by 5% compared with 1987. However, since 1980 fiber consumption has increased on average slightly under 3% per annum. For example, in 1987, consumption was 9.6% over the previous year; the increase in 1986 was 5.5% over 1985. Home textiles and related products have been less deeply penetrated by imports than the apparel industries.

PRODUCTION

Fiber Consumption (continued)

Cotton's share of the poundage stood at 53% in 1988 as compared with 57% the previous year. In most years since 1980, cotton's share of the market has been advancing. Man-made fibers accounted for 46% of the poundage in 1988, up appreciably from 41.0% in 1987. Wool is the other major fiber in use accounting for about 1% of production. Linen and silk are not covered in the Textile Economics Bureau totals.

Fiber Consumption in Home Textiles & Related Products: 1985-1988
(Millions of pounds)

			Fibers		
	Year	Total	Man-Made	Cotton	Wool
Total	1988	2,082.5	952.8	1,113.4	16.3
	1987	2,193.1	912.3	1,262.8	18.0
	1986	1,999.7	900.0	1,082.1	17.6
	1985	1,895.4	966.4	911.3	17.7
Bedspreads/Quilts	1988	188.4	109.7	78.7	--
	1987	177.1	93.8	83.3	--
	1986	146.6	80.0	66.6	--
	1985	134.8	77.2	57.6	--
Blankets/Blanketing	1988	72.3	42.5	26.1	3.7
	1987	81.3	51.8	25.4	4.1
	1986	77.0	51.1	21.6	4.3
	1985	74.8	54.6	16.1	4.1
Sheets/Pillow Cases/Pads, etc.	1988	506.5	239.0	267.5	--
	1987	528.3	235.2	293.1	--
	1986	520.3	254.8	265.5	--
	1985	493.4	269.3	224.1	--
Towels/Toweling	1988	467.4	36.7	430.7	--
	1987	571.1	34.2	536.9	--
	1986	500.6	31.9	468.7	--
	1985	414.5	22.3	392.2	--
Curtains & Draperies	1988	264.7	161.9	102.8	--
	1987	277.0	163.1	113.9	--
	1986	277.8	190.2	87.6	--
	1985	242.4	172.5	69.9	--
Upholstery	1988	458.3	259.8	185.9	12.6
	1987	469.8	269.2	186.7	13.9
	1986	390.6	229.3	148.0	13.3
	1985	400.8	261.3	125.9	13.6
Other Home Textiles	1988	98.1	80.4	17.7	--
	1987	82.3	62.8	19.5	--
	1986	82.5	62.2	20.3	--
	1985	129.9	108.0	21.9	--

Source: Fiber Economics Bureau, Inc.:
Fiber Organon, September 1989

Fiber Consumption (continued)

The National Cotton Council of America compiles annual reports on the percentage of total material consumption in specific products which is accounted for by cotton. The percentage reported is a weighted calculation involving 100% cotton materials plus the cotton content of blends and mixtures.

There has been a clear tendency in recent years for cotton to increase its share of total fiber consumption for many home textile products, especially sheets and pillow cases, bedspreads, thermal blankets, upholstery and slip cover fabrics.

Cotton's Share of Total Material Consumed By Product: 1985-1988

	1988(p)	1987(r)	1986	1985
Sheets & pillow cases, except crib	58%	57%	56%	48%
Crib sheets	96	95	95	95
Towels & wash cloths	96	96	96	96
Knit	na	96	96	96
Woven	na	96	96	95
Bedspreads	55	52	45	42
Quilted	47	41	32	28
Tufted	6	6	14	24
Woven	86	86	79	75
Blankets & Blanketing	27	26	24	19
Bed	26	25	23	18
Thermal woven	36	35	33	27
Other woven & nonwoven	21	19	18	14
Crib & receiving	43	42	40	39
Comforters & quilts, excl. filling	56	54	53	50
Curtains, excl. shower	20	20	18	13
Drapery, upholstery & slip cover fabrics	35	33	30	28
Drapery	26	25	22	19
Upholstery & slip cover	42	40	37	35
Mattress covers, woven & plastic	13	13	13	14
Pads, quilted, except filling	40	39	36	34
Pillows & cushions, excl. fillings	48	46	44	43
Slip covers, furniture, excl. plastic	10	10	20	20
Textile table cloths, napkins, place mats, excl. linen	40	40	43	43
Rugs & bathmats 6' x 9' or smaller, tufted	na	11	14	12
Window shades: plastic, woven, non-woven	13	13	15	22
Wall covering fabric (coated), woven & non-woven	34	34	36	39

(p) preliminary (r) revised na not available

Source: National Cotton Council of America: Cotton Counts Its Customers, 1989, 1988, 1987 editions

PRODUCT SHIPMENTS

Market Share of Leading U.S. Producers

Every five years, the U.S. Census Bureau compiles data on the share of shipments by U.S. manufacturers of specified home textiles, window coverings and related products. The latest available data covers the year 1982. The 1982 data shows that there was a high level of concentration of shipments for sheets and pillow cases, towels and washcloths, Venetian blinds and window shades.

Share of Total Value of Shipments
Accounted For By the Largest Companies: 1977, 1982

	Value of Shipments (mil. $)	% Accounted for by the Largest Companies	
		Top 4	Top 8
Sheets, pillowcases			
1982	$1,156.3	60%	89%
1977	906.3	59	90
Towels, wash cloths			
1982	964.0	80	94
1977	693.0	82	95
Venetian blinds			
1982	406.5	62	73
1977	89.6	68	78
Window shades, accessories			
1982	181.0	57	76
1977	140.3	72	83

Source: U.S. Bureau of the Census, 1982 Census of Manufactures: Concentration Ratios in Manufacturing, Subject Series MC82-#-7

During the middle and late 80s, drastic changes took place in the industry's organization due to takeovers, mergers and leveraged buyouts. J.P. Stevens has been largely dismantled with divisions sold off to Bibb & WestPoint-Pepperell. Burlington Mills has gone through a similar restructuring. WestPoint-Pepperell, having acquired additional capacity, was in turn taken over by Fruit-of-the-Loom. Then, at the end of 1989, Fruit-of-the-Loom was reported as being in trouble in meeting its debt obligations and considering selling some of its divisions.

In the Venetian blind and allied product area, there has been a large increase in the total volume of shipments and major changes have taken place in the share of business accounted for by some of the leading producers.

In curtains & draperies and bedspreads, concentration levels were low in 1982. The four leading curtain and drapery firms accounted for 28% of the volume. The four leading bedspread manufacturers had 28% of the business. This situation does not appear to have changed. Moreover, the total volume of shipments has been flat.

PRODUCT SHIPMENTS

Producer Price Levels

Producer (Factory) Price Index: November 1989

	Base Period	Index
Home textiles	6/83	107.5
Bed clothes	6/87	106.2
Sheets & pillow cases	6/83	109.5
Spreads, sets	6/83	106.7
Blankets	6/87	104.6
Other home textiles	6/83	107.5
Towels, washcloths	6/87	108.9
Draperies	6/84	110.3
Curtains, except lace	6/84	110.3
Other home textiles	6/83	107.5

Source: U.S. Department of Labor, Bureau of Labor Statistics

Consumer Prices

At the retail level, personal consumption expenditures for semi-durable house furnishings advanced by 4.98% in 1988 as compared with 1987. For the year 1989, the advance was 7.36% over 1988. These Labor Department figures are in current dollars. In constant 1982 dollars, the advance in 1988 was 4.3% over 1987. For the year 1989, the increase was 5.5%.

PRODUCT SHIPMENTS & SALES AT RETAIL

Domestics

Value of Shipments of Specified Products: 1986-1988
(Millions of dollars)

	1988	1987	1986	% Change 1988/86
Sheets, pillow cases, total	1,257.1	1,207.7	1,181.3	6.4%
Towels, washcloths, total	1,007.6	994.3	924.8	9.0
Blankets made in weaving mills, total units**	29.4	28.8	28.8	5.0
Wool & chiefly wool	2.6	2.8	2.4	8.3
Man-made & chiefly man-made	na	15.4	15.2	--
Cotton & chiefly cotton	na	1.9	2.4	--
Man-made blends	na	6.3	6.4	--
Bedspreads, total				
Not made in weaving mills	na	378.1	398.9	--

na not available

Source: U.S. Bureau of the Census: Annual Surveys of Manufactures MQ23X Series
and
** ATMI Industry Survey (data is collected on units but not dollars)

PRODUCT SHIPMENTS & SALES AT RETAIL

Domestics (continued)

Quantity & Value of Shipments of Sheets & Pillowcases By U.S. Mills: 1987, 1988

	Quantity (thous. dozens)		Value (millions of $)	
	1988	1987	1988	1987
Sheets & pillowcases, total	26,759	27,590	$1,291.4	$1,226.9
Crib size	556	507	21.4	19.2
Sheets, excl. crib	16,404	14,773	980.5	940.9
Flat sheets	9,805	8,630	580.8	556.0
Fitted sheets	6,599	6,143	400.0	384.9
Thread count:				
195 & over	1,382	1,083	155.7	112.0
180 to 194	7,223	7,593	522.6	525.7
135 to 179	858	933	51.2	52.6
125 to 134	1,891	1,926	103.1	97.8
Under 125	2,928	3,238	146.2	152.8
Fabric:				
Polyester/cotton blends	11,302	11,880	738.9	720.0
Other fabrics	2,980	2,893	241.7	221.0
Size:				
King	1,608	1,764	160.6	164.6
Queen	3,090	3,091	272.5	252.6
Full	4,226	4,439	269.7	262.8
Twin	4,984	5,037	257.8	241.2
Single & smaller	374	442	19.9	19.6
Flannel sheets	(D)	474	(D)	37.5
Pillowcases (except crib)	11,921	12,310	279.5	266.8
Thread count:				
195 & over	1,261	928	53.8	38.7
180 to 194	6,296	6,571	150.0	148.1
Under 180	4,364	4,811	75.6	80.0
Fabric:				
Polyester/cotton blends	9,479	9,933	201.3	195.6
Other fabrics, mainly 100% cotton	2,442	2,377	78.1	71.1
Special Counts				
Branded retail shipments of sheets & pillowcases (except crib)	17,728	18,363	894.4	850.2
Upstairs brand	6,624	7,634	414.9	426.9
Open brand	11,104	10,729	479.5	423.2
Sheet sets (excl. water bed)	3,074	2,885	529.8	467.4
Waterbed sheet sets	103	179	21.9	27.0

(D) Data withheld to avoid disclosure of figures for individual companies.

Source: U.S. Bureau of the Census:
Current Industrial Reports MQ23X Series

PRODUCT SHIPMENTS & SALES AT RETAIL

Marketing Developments in Sheets

Sheet consumption has been generally flat during most of the 80s with increases roughly corresponding to the rate of population growth. Unit volume was down slightly in 1988 as compared with 1987. However, HFD estimates that sales at retail increased by 5.9% in 1989.

Although the sheet market has been dominated by the big, integrated domestic mills, a certain amount of production is further processed by converters and cutters to produce matched sets, shams, dust ruffles and other specialized products. In 1989, several important home furnishings companies entered the sheet market on a converting basis. Crown Crafts is importing a high count product made from Egyptian cotton and woven in a satin weave in Israel. The fabric is lustrous and very luxurious.

In the 1970s and early '80s, the mills launched major programs to convert printed sheets into quilted bedspreads by means of pinsonic bonding. However, such products have declined in popularity in recent years.

U.S. Bureau of Census figures for 1988 show that 79% of domestic sheet production was in polyester blends. Cotton's share of the market has been growing incrementally in most recent years. According to estimates made by the Fiber Economics Bureau, cotton's share of the market stood at 45.4% in 1985; 51.0% in 1986; 55.5% in 1987 and 52.8% in 1988. The increase in cotton usage has taken place mainly in cotton-rich blends. All-cotton is concentrated in high count percales. Much of this fabric is imported, as in the case of Crown Crafts. However, Fieldcrest/Cannon is producing a 310 count all-cotton sheet. This is the highest count sheet produced in domestic mills.

According to the Census Bureau, the institutional market represented 15% of total U.S. shipments of sheets in units; and 14.1% of the value in 1987. Comparable figures for pillow cases were 17.4% and 10.3%, respectively.

Over the years, there has been a tendency for the quantity of sheets sold in larger sizes to increase. This has favored, in particular, Queen size which in 1988 accounted for 21.6% of unit production, and the largest dollar share of any category.

The Census Bureau also collects information on branded retail shipments of sheets and pillowcases. Roughly two-thirds of production is branded. The branded products are reported in two categories: "Upstairs Brand" and "Open Brand". "Upstairs brand" refers primarily to product which is sold through department stores and full price specialty stores. "Open brand" is applied to product which is distributed through mass merchandisers, the national chains and discounters. In 1988, 62.6% of the branded sheets were "open brand".

Marketing Developments in Sheets (continued)

Estimated % of Market Share For Specified Producers of Sheets & Pillow Cases: 1988

	% of Market Share
Fruit of the Loom	36.0%
Springs Industries	28.0
Fieldcrest/Cannon	20.0
Bibb	12.0
Other	4.0
Total	100.0%

(e) estimated

Source: Fairchid News Service

Towels

Quantity & Value of Shipments of Terry Towels & Other Terry Products: By U.S. Mills: 1987, 1988

	Quantity (thous. doz.)		Value (mil. $)	
	1988	1987	1988	1987
Finished terry towels*	43,384	50,536	$1,007.6	$ 994.3
Type:				
Sheared	(D)	13,941	(D)	205.5
End use:				
Kitchen	(D)	4,992	(D)	46.6
Bath	20,919	22,126	607.2	588.1
Hand, guest, etc.	16,945	20,892	263.1	254.4
Bath/tub mats	(D)	785	(D)	27.2
Other (queen/king size, bath sheets, beach towels, bath mats)	1,871	1,741	80.8	78.0
Terry washcloths	22,252	25,162	145.9	153.0
Special marketing data on towels:				
Branded retail shipments of towels & washcloths	38,995	41,880	697.4	704.1
Upstairs brand	6,055	6,105	202.8	202.1
Open brand	32,941	35,775	494.6	502.0
Huck & crash towels	(D)	15,237	(D)	11.7
Terry cloth sold by the yard:				
Other terry products	15,711**	18,706**	33.0	36.4
Pot holders, aprons, dishcloths, etc.	4,738	3,685	26.4	22.6

* To the extent that some yardage is fabricated into towels and washcloths, there is duplication in the figures.

** In thousands of square yards.

(D) Data withheld to avoid disclosure of figures for individual companies.

Source: U.S. Bureau of the Census: Current Industrial Reports, MQ23X Series

Towels (continued)

In 1988, towel production was almost 10% below 1987. Current information for the year 1989, indicates that the volume has been flat at $1.5 billion.

Estimated % of Market Share For Specified Producers of Towels and Towel Products: 1989

	% of Market Share(e)
Fieldcrest/Cannon	45%
Fruit of the Loom (Martex)	25
Bibb (includes J.P. Stevens)	10
Dundee (important institutional supplier & juveniles)	8
Miscellaneous	12
Total	100%

(e) estimated

Source: Fairchild News Service

Towel Situation at Retail

Although total sales of towels have been flat, a category which has shown growth is embellished towels. Many of these are imported and HFD estimates that share of market approaches 10%.

Oversize towels, including king/queen sizes and beach sheets have shown steady growth over the years. Many of these are printed by converters on purchased blanks and may actually be included in the Census category "terry cloth sold by the yard". The total volume of beach sheets is estimated at over $100 million by the Seidman Report.

In a similar class are kitchen towels. Some of these are produced by the integrated mills but a substantial portion are converted and distributed by novelty specialists. Again, the total volume is estimated as being in excess of $50 million with additional sales of allied products like pot holders and appliance covers.

PRODUCT SHIPMENTS & SALES AT RETAIL

Bed Coverings: Blankets, Comforters, Bedspreads, Mattress Pads & Pillows

U.S. Production of Comforters, Bedspreads, Mattress Pads & Pillows:
1982, 1987
(Millions of dollars)

	1987	1982	% Change 1987/82
Comforters:	418.2	205.2	103.8%
Mainly cotton	84.8	na	--
Mainly man-made	259.3	na	--
Down filled	74.1	na	--
Bedspreads:	na	402.8	--
Made in mills-mils. of $	na	71.4	--
Not made in mills-tailored total	378.1	331.4	14.1
Quilted	231.8	178.5	29.9
Mostly cotton	105.0	56.7	85.2
Mostly man-made	126.8	121.8	4.1
Not quilted	23.5	32.2	-27.0
Non-tailored bedspreads			
Tufted	na	16.2	--
Not tufted	116.5	141.1	-17.4
Mainly cotton	26.3	55.7	-52.8
Mainly man-made	32.5	85.4	-61.9
n.s.k.	57.7	34.8	65.8
Mattress pads	83.4	79.7	4.6
Pillows:			
Bed	356.9	213.5	67.2
Foam rubber	54.9	(s)	--
Other materials	302.0	(s)	--
Fancy pillows:	203.8	128.5	58.6
Foam rubber	31.7	31.6	--
Other materials, man-made & down	172.1	96.9	77.6

n.s.k. not specified by kind
na not available
(s) insufficient data available

Source: 1982, 1987 Census of Manufactures

There is a dearth of hard, reliable facts about the size of the markets for most bed covering products. This comes about for numerous reasons. In blankets, there are only a few mills producing these products and Census "disclosure rules" prevent the release of production data. In other sectors, there are many small producers with diverse product lines. Many of these firms do not report production accurately or they may not report at all.

Bed Coverings: Blankets, Comforters, Bedspreads, Mattress Pads & Pillows (continued)

Blankets

Blanket production and sales have been flat for years, although 1989 was slightly better than 1988 according to trade sources. The basic reason appears to be the fact that the products lack interest and excitement. Both comforters and bedspreads have taken sales away from blankets.

Blankets are made in three different ways: woven, non-woven and flocked. Woven blankets are higher in price than non-wovens which dominate the volume price ranges. Flocked bedspreads, produced from nylon staple, flocked into a polyurethane core also enjoyed a brief period of popularity. In recent years, woven blankets have made a minor come-back. An on-going ATMI survey of all leading producers of blankets shows the current position.

U.S. Blanket Production by Manufacturing Method
(Units in millions)

	1989(p)	1988	1987	1986
Total units	29.8	29.4	28.8	28.0
Sheet blankets	1.3	1.4	2.2	2.7
Regular woven	12.1	11.2	10.3	9.3
Non-woven	16.4	17.0	16.3	16.0

(p) projected

Source: ATMI Industry Survey

The three leading producers of blankets are: Fieldcrest, Cannon/St. Mary's, Beacon and Owens, according to Seymour Seidman. At the department store level, Martex is a factor, along with Fieldcrest. WestPoint-Pepperell is an important factor in the mass discount market.

Throws

One favorable development for blanket producers has been the growth in sales of throws. Census data on production of throws is not available but HFD estimates retail sales at $82 million, up from $78 million in 1988. This represents about 20% of estimated retail sales of blankets.

Bed Coverings: Blankets, Comforters, Bedspreads, Mattress Pads & Pillows (continued)

Electric Blankets

Electric blankets have been in the doldrums for a number of years. Unit volume is roughly half of what it was five years ago. A leading producer of electric blankets attributes the decline to general anxieties about electricity and imagined concerns about the harmful effects of electromagnetic fields. The leading manufacturers of electric blankets are Northern Electric and Fieldcrest. The industry has sought to improve sales by developing thermostat-less models which respond to body temperature. Such improvements have not arrested the downward trend in sales.

Bedspreads

During the decade, woven bedspread sales steadily eroded. Bates is one of the few important producers still remaining. The loss of ground can be attributed to limitations in the colors and styles obtainable.

Tufted bedspreads have also steadily declined during the decade, although recent trade figures are not available to document this.

Tailored bedspreads and comforters have been the major growth products in bed coverings. The volume of comforters more than doubled. (As already stated, many of these also serve as bedspreads.) Tailored bedspreads, which are not produced in mills have also shown good growth. More than two-thirds of these are quilted.

During the early 1980s the major bed sheet mills made major efforts to dominate the quilted bedspread industry using bedsheets with designer prints which were bonded to polyester batting by means of pinsonic, high-frequency bonding. However, these products have, today, fallen out of favor and are not a major factor in the market place.

Pillows

Pillows, especially fancy, decorator pillows, have made good progress during this recent five-year period.

PRODUCT SHIPMENTS & SALES AT RETAIL

All Domestics -- Summary

Estimated Sales of Domestics at Retail: 1988, 1989
(Sales in billions of dollars)

	1989	1988	% Change 1989/88
Sheets & pillowcases	$ 1.8	$ 1.7	5.9%
Bath towels	1.5	1.5	-0-
Bed pillows	.426	.410	3.9
Blankets	.381	.365	4.4
Comforters	.866	.802	8.0

Source: HFD-Special issue
Feb. 19, 1990

Distribution of Domestics By Type of Retailer: 1988, 1989

	Department Stores	Specialty Chains	National Chains & Catalogue	Mass Merchants	Other
Sheets & pillow cases					
1989	25	12	18	37	8
1988	26	7	19	38	10
Bath towels & wash cloths					
1989	21	9	23	34	13
1988	23	7	23	32	15
Bed pillows					
1989	15	17	21	38	9
1988	23	14	21	34	8
Blankets					
1989	16	18	20	42	4
1988	16	17	21	42	4
Comforters					
1989	17	21	31	27	4
1988	17	19	32	29	3

Source: HFD and Fairchild News Service

PRODUCT SHIPMENTS & SALES AT RETAIL

Window Treatment Products

Shipments of Window Treatment Products by Major Category: 1982, 1987
(Sales in millions of dollars)

	1987	1982	% Change 1987/82
Curtains & Draperies, except lace, total	1,378.3	1,008.3	36.7%
Window curtains, all	384.0	289.5	32.6
Wholly or chiefly cotton	32.7	58.2	-43.8
Wholly or chiefly man-made fiber fabrics	251.3	205.7	22.2
Other materials, including plastic	na	25.6	--
Draperies, (all lengths)	851.9	840.6	1.3
Wholly or chiefly cotton	112.9	82.1	37.5
Wholly or chiefly man-made fabrics	308.5	266.8	15.6
Glass fiber fabrics	5.1	12.8	-60.2
Other materials, including plastic	65.5	58.6	11.8
Curtains & draperies, type not specified	359.9	298.5	20.6
Drapery Hardware, curtain/drapery rods	415.2	301.8	37.6
Alternate window treatments, other than curtains & draperies			
Shades & accessories	205.0	181.0	13.3
Plastic window shades	40.3	108.4	-62.8
Other window shades	134.3	54.1	148.2
Window shade accessories & rollers, sold separately	9.4	9.6	- 2.1
Window shades & accessories, type not specified	21.1	9.0	134.4
Venetian blinds & parts, total	792.7	406.5	95.0
Complete venetian blinds, vertical & horizontal			
Aluminum slat blinds	444.8	245.4	81.3
Other wood, plastics, etc.	207.1	84.8	144.2
Venetian blinds & parts:			
Unassembled venetian blinds, parts, components, etc.	126.1	70.7	78.4
Venetian blinds, type not specified	14.7	5.7	157.9
Miscellaneous shades and blinds, curtain & drapery rods, associated hardware	70.5	51.2	37.7
Shades, blinds, hardware, etc., type not specified	236.7	111.9	111.5

na not available

Note: Figures in various sub-categories do not equal industry figures because data is often withheld to avoid disclosure.

Source: U.S. Bureau of the Census,
1987 Census of Manufactures: Industry Series
MC87-1-23(P) and MC87-25B-(P)

Window Treatment Products (continued)
The main development in the window treatment field has been the high rate of growth in the "Alternate Window Treatment" category as opposed to the low growth or flat situation for curtains and draperies.

Sales of Venetian blinds and parts advanced by 95% as compared with 36.7% for curtains and draperies. The Venetian blind category includes vertical louvers along with the standard Venetians with one or two inch slats. To some extent this may be cyclical or strongly influenced by innovative style developments. During the 1960s and early '70s, sales of the then standard Venetian blinds with 2" slats declined steadily hitting a low of $34.9 million in 1967. In the mid-seventies, with the introduction of the slender 1" blind in a wide range of fashion colors, industry volume began to move up.

During the late seventies, with the introduction of the vertical louver, sales spurted ahead even more rapidly. Although the vertical louver was primarily sold for commercial applications such as offices, hospitality installations, and institutions, it was quickly adopted for residential use. These products are particularly favored for structures with large expanses of glass. In addition to louvers, there is a miscellaneous assortment of other types of blinds like woven woods, beads and similar novelties. These come and go. However, the position in early 1990 is that the dollar volume of Venetian blinds and allied products approximates the value of shipments of ready-made draperies. In addition, the development of pleated shades has had a major impact on other "window treatment" products.

The Curtain & Drapery Situation

The curtain business has held up reasonably well with sales advancing by 32.6% during the period from 1982 to 1987. The bulk of all curtains are sold "ready-made" in standard sizes, except for those products which fall into the casement category and are fabricated for commercial users.

The data on drapery shipments is somewhat deceptive. A large but unknown portion are sold "ready-made"--off the shelf. However, there are two other categories which are large and of growing importance. These are "made-to-measure" and "custom-made" draperies.

"Made-to-measure" draperies are sold mainly be retailers like Sears and Penney (who control approximately 50% of the drapery business). Such purchases are made from show-room models or catalog pages. The retailer takes the order in the desired size and the finished product is produced in plants which are strategically located throughout the United States.

The "custom-made" drapery often starts with a decorator who decides on fabric and color, makes the needed measurements, orders the fabric from a mill or converter and has the finished product sewn in a local cut-n-sew shop. The "custom-made" drapery business is a mixture of contract and residential work.

PRODUCT SHIPMENTS & SALES POTENTIAL

Window Treatment Products (continued)

Twenty-five years ago, market research studies suggested that 80% of the drapery market was in ready-mades, with the balance in the other categories. However, the contract market has been growing steadily, as have the number of affluent families. Thus the current market for "made-to-measure" and "custom-mades" is likely to be in the range of 35-40%.

To combat the slow rate of growth in drapery sales many firms have broadened their product lines to include bedroom ensembles.

Large Curtain & Drapery Manufacturers: 1989
(Sales in millions of dollars)

CHF Corporation	$255 - 285
Includes: Aberdeen Cameo Jakson Joanna	
Burlington	$185
Home Curtains	$ 80
Lichtenberg	$ 70
Croscill	$ 70
Louis Hornick	$ 50 - 70
Includes: Hornick Paroma	
Beacon Looms	$30
Robertson Factories	$30

Source: HFD Research

Antique satins still remain the most important and basic drapery fabric. Moires have also become very important in recent years. They are produced from polyester filament and have a watermark look. Cotton sail cloths are also a major fabric, especially for prints. Osnaburgs retain a place for casual looks.

Leaders in Alternative Window Treatments

Window shades have been a static business for years. The leading producers are Joanna (part of CHF Industries), Clopay and Graber. Venetian blind sales peaked out in 1988 and 1989. However, vertical louvers have continued to grow. Leading manufacturers in this category are Levelor Lorentzen, Hunter Douglas (a close second with a more diversified product line), Marathon Casey and Louver Drape. Hunter Douglas dominates the pleated shades category, a major growth area. Kirsch remains the leader in drapery hardware--a big business with high growth potential. Drapery hardware sales parallel total industry sales.

Window Treatment Products (continued)

Window Treatment Product Sales at Retail
(Sales in millions of dollars)

	1989	1988	% Change 1989/88
Curtains	758	732	3.6
Draperies	802	778	3.0
Drapery hardware	527	522	1.0
Shades	245	250	- 2.0
Pleated shades	511	478	6.9
Mini blinds	1,500	1,500	-0-
Vertical blinds	780	750	4.0
Woven woods	51	57	-10.5

Source: HFD - Special Issue, Feb. 19, 1990

Distribution of Window Treatment Products by Retail Outlet: 1988, 1989

	Dept. Stores	Specialty Stores	Nat. Chains & Catalog	Mass Merchants	Other
Curtains					
1989	6	10	50	32	2
1988	10	11	48	29	2
Draperies					
1989	8	13	51	26	2
1988	10	11	48	29	2
Drapery hardware					
1989	5	5	32	29	29
1988	5	2	34	31	28
Roller shades					
1989	7	6	19	12	56
1988	7	4	18	10	61
Pleated shades					
1989	9	5	14	7	65
1988	9	3	10	8	70
Mini blinds					
1989	8	12	16	20	44
1988	9	4	14	18	54
Vertical blinds					
1989	7	6	19	12	56
1988	7	4	18	10	61
Woven woods					
1989	4	8	23	22	43
1988	3	8	25	31	33

Source: HFD - Special Issue, Feb. 19, 1990

Window Treatment Products (continued)

Noteworthy features of the retail distribution table shown on the previous page are:

...the very large portion of curtain & drapery sales booked by the national catalog chains. This is in the neighborhood of 50%.

...the relative decline of department stores over the years as outlets for all types of home furnishings.

...the importance of the "other" category for a number of home furnishings products can be explained in various ways:

> Roller shades have traditionally been an important product line for variety stores. Hardware stores also compete for this business.
>
> Pleated blinds, mini-blinds and vertical blinds are, to an important degree handled by a new type of specialist who often installs the product.

Miscellaneous Home Furnishings Textiles

Value of Shipments of Miscellaneous Home Textiles
By All U.S. Producers: 1982, 1987
(Millions of dollars)

	1987	1982	% Change 1987/82
Shower curtains	123.1	125.5	1.9%
Tablecloths & napkins, total			
Incl. place mats and sets; also plastic	296.3	207.7	46.2
Knit or crocheted,	41.1	na	--
Incl. table cloths, napkins & place mats			
Not knit	255.2	na	--
Cotton	148.8	na	--
Linen	3.7	na	--
Man-made fibers	43.5	na	--
Other materials, incl. plastic	59.2	na	--
Slip covers, total	110.2	--	nc
Furniture	49.2	19.7	nc
Mattress covers, non-quilted	13.8	7.3	nc
Other	47.2	9.7	nc
Bags, incl. laundry, wardrobe, shoe & storage	23.6	30.5	
Bath mats	27.2		
Bed pillows	356.9	213.5	67.2
Fancy pillows, total	203.8	128.5	58.6
Foam rubber	31.7	31.6	--
Other materials	172.1	96.9	77.6

na not available   nc data not comparable

Source: 1982, 1987 Census of Manufactures

Miscellaneous Home Furnishings Textiles (continued)

Shower Curtains

Census data indicates that shower curtain sales are flat or down slightly--off 2% in the five year period ending in 1987. This is not confirmed by HFD retail research. This suggests that industry volume is around $325 million at retail --more than 50% higher than the Census estimate of $123 million at wholesale prices. (Census data often seems more reliable in the case of industries which are dominated by a few large producers than in those industries which are fragmented and composed of many small or marginal producers.)

The primary trends noted by HFD are: the increasing use of fabric as opposed to vinyls; secondly, the most important fabric remains 100% polyester but 100% cotton and cotton blends have been growing; pastels are way off but sophisticated, eclectic prints are way up. Fabrics which have been given a water-repellent finish, so that a vinyl liner does not have to be used have had growing acceptance.

Table Cloths & Napkins

Table cloth and napery production in the United States has been flat or down for some years according to the Census Bureau. However, the industry is highly fragmented. There are many small producers, some of who are mainly exporters. Imports have continued to grow and may account for more than half of retail sales.

Low price imports originate mainly in countries on the Pacific rim--China, Taiwan, Korea, etc.-- and include many novelties such as hemp or bamboo place mats. High style, more expensive products originate in Western Europe. The leading exporters are Italy and Belgium for linens, and Czechoslovakia for damasks.

A problem faced by the industry is that table cloths and fabric napkins require frequent laundering which is either expensive or time-consuming. For a number of years, vinyl had wide acceptance, since the items could simply be wiped clean. In recent years, vinyl has fallen out of favor. A leading producer went bankrupt in 1989.

For customers who prefer fabric napkins and table cloths, polyester blends seemed like a good solution, since the need to iron could be eliminated. However, the affinity of polyester for oil borne stains limited the acceptability of such blends. In recent years, Milliken adapted "Visa" for napery use. This finish effectively prevents the formation of permanent oil-borne stains. It is widely used throughout the industry by firms like Vera, Sunweave Linens and Bardwell. The finished products are available at all retail levels.

Pillows

Sales of bed pillows have shown good growth during the eighties with dollar sales being up 67% in 1987 over 1982. Synthetic fibers account for 85% of the fillings. However, down has been growing while foam rubber has declined in popularity.

Miscellaneous Home Furnishings Textiles (continued)

Pillows (continued)

The synthetic fiber producers, primarily DuPont and Hoeshst-Celanese have made major efforts to improve the appeal of their products. For example, fiber clusters are often used to improve shape retention and softness or firmness.

Sales of fancy pillows also have been booming with an advance of 58.6% during the 1982-1987 period. The charm of decorative pillows and chair pads is the fact that the housewife can make a major change in the appearance of her decorating scheme for very little money. Fancy pillows are usually employed to introduce accent colors. The range of styling effects available covers the water front from cutesy kitchen effects to modern, eclectic prints. Many leading curtain and drapery houses offer lines of decorative pillows & chair pads such as Arlee Home Fashions, Cameo Curtains, Croscill, Dakotah, etc. Fiber usage parallels that in bed pillows.

Miscellaneous Home Furnishings Product Sales at Retail: 1988, 1989
(Sales in millions of dollars)

	1989	1988	% Change 1989/88
Shower curtains	344	325	5.8%
Table linens	479	473	1.2
Bath rug	440	426	3.3
Decorative pillows	210	190	10.5
Chair pads	70	64	9.4

Distribution of Miscellaneous Home Furnishings Products By Retail Outlet: 1988, 1989

	Dept. Stores	Specialty Stores	Nat. Chains & Catalog	Mass Merchants	Other
Shower curtains					
1989	14	19	25	38	4
1988	15	18	27	36	4
Table linens					
1989	22	18	16	38	6
1988	25	17	16	37	5
Bath rugs					
1989	15	16	25	37	7
1988	17	16	25	35	7
Decorator pillows					
1989	23	13	13	43	8
1988	22	15	13	41	9
Chair pads					
1989	10	12	16	54	8
1988	12	10	10	55	7

Source: HFD - Special Issue, Feb. 19, 1990

PRODUCT SHIPMENTS & SALES AT RETAIL

Summary & Outlook

Distribution of All Home Furnishings by Type of Outlet: 1986, 1987, 1988
(Estimates in millions of dollars)

	1988	1987	1986
Department Stores			
Dollars	$2,210,014	$2,148,432	$2,297,340
% of total home products	15.9%	15.7%	17.4%
Sears, Penney, Ward			
Dollars	3,032,717	3,011,598	2,960,088
% of total home products	21.8	22.0	22.4
Big 10 Discounters			
Dollars	2,100,370	1,934,475	1,727,606
% of total home products	15.1	14.1	13.1
All other discounters			
Dollars	788,159	818,039	984,280
% of total home products	5.7	6.0	7.5
Off-price outlets			
Dollars	737,199	642,046	694,954
% of total home products	5.3	4.7	5.3
Home Furnishings Stores			
Dollars	2,765,657	3,053,544	2,622,498
% of total home products	19.9	22.3	19.9

Source: MRCA Information Services

A study made by Kurt Salmon Associates/NPD Purchase Panel shows that sales of home textiles have been growing steadily. Retail sales in 1987 were $8.8 billion. In 1988 sales increase slightly to $8.9 billion. However, in the first half of 1989, sales increased by nearly 13%.

CONTRACT SALES

A market of growing importance and interest are sales of home textiles to commercial users. Such products are used primarily by the following.

Offices are the largest commercial application consuming furniture, upholstery fabrics, floor coverings, curtains, casements, draperies and alternative window treatment products. Professional decorators play an important role in the specification of these products and a group of converters tend to specialize in the field. Custom sales to affluent private users are linked to this "uptown" trade which centers in the Decorative Arts Center. An essential requirement for all institutional fabric applications is fire retardant.

Hotels, motels and restaurants are large users of the same products as offices plus domestics, beds and the apparel worn by uniformed personnel.

CONTRACT SALES

In hospitals and other public institutions products used include beds, domestics, furniture, floor coverings, curtains and draperies. Fire retardance is an important requirement.

Other commercial users include clubs, golf and social, theatres and schools.

The size of the various commercial markets for home textiles is hard to pin down, in part because so many fabrics are distributed to both commercial users and affluent consumers served by decorators. Various studies made suggest that the market for domestics is in the range of 15% to 20% of total sales of those products. Sales of casements and draperies to contract have been growing steadily and may account for 35-45% of total sales.

Interiors Magazine in cooperation with A.S.I.D. Educational Foundation and the Business Products Consulting Group has made a major study of the industry. The magnitude of the various end uses as assessed by them is shown in the table which follows:

Contract Shipments by Type of User
(Dollars in mil.)

Office furniture	$7,890	50%
Carpets & rugs	2,600	17
Lighting	2,500	15
Hospitality	1,610	11
Textiles	685	4
Wall coverings	272	2
Health care	85	1

Major Sales Areas for Contract Home Textiles
(Dollars in billions)

Office buildings	$ 7.9	
Hospitality	10.0	
Furniture	4.0	
Other products	3.5	
Carpet and rugs, total	8.0	(contract = 2.6)
Contract textile	.87	

FOREIGN TRADE

Imports

U.S. imports of home textiles and related products have not been as heavy as in most sectors of apparel manufacturing. For this reason, major mills like Sprints, WestPoint-Pepperell (Fruit-of-the-Loom) and Bibb have concentrated on the production of home textiles. However, imports have tended to increase slightly from year-to-year.

FOREIGN TRADE

Imports (continued)

Imports & Exports of Selected Home Textiles: 1986, 1987, 1988
(Value in millions of dollars)

	1988	1987	1986	% Change 1988/87
Sheets & pillowcases				
Imports	$ 98.1	$111.6	$ 96.3	- 12.1%
Exports	47.5	35.4	32.8	34.2
Imports as % of domestic consumption	7.4%	8.7%	7.9%	- 14.9
Terry woven towels & wash cloths				
Imports	$184.5	$193.3	$173.0	- 4.6
Exports	42.4	29.5	20.8	43.7
Imports as % of domestic consumption	15.5%	16.7%	16.1	- 7.2

Source: U.S. Bureau of the Census: Current Industrial Reports,
MQ23X Series

Imports & Exports of Selected Home Textiles: 1986, 1987, 1988
(Value in thousands of $)

	1988	1987	1986	% Change 1988/87
Curtains & draperies				
Imports	$43,284	$41,120	$44,118	5.3%
Exports	8,119	7,087	5,849	14.6
Home textiles, except curtains & draperies and floor coverings				
Imports	724,481	672,086	600,786	7.8
Exports	121,378	89,617	80,913	35.4

Source: U.S. International Trade Commission:
U.S. Trade Shifts in Selected Commodity Areas

In sheets and pillowcases, import penetration is up from less than 1% to 7.4% in 1988. In terry towels & washcloths import penetration advanced from 7% in 1980 to 15% in 1988. In both of these sectors, trade reports indicate that the imports are concentrated on high quality and high count sheets and embellished towels and jacquards.

In the Home Textiles, n.e.c. category, except for curtains & draperies, imports are concentrated in high quality, novelty products manufactured in Western Europe in countries like Belgium, Italy and Czechoslovakia, as well as in low priced novelties from countries on the Pacific rim.

AT THE RETAIL LEVEL

THE POTENTIAL MARKET

Households

Household population, and the formation of new households, are statistics of importance in evaluating market potential for home products. In 1988, according to the U.S. Census Bureau, there were 91.1 million households in the U.S. This compares with 85.2 million in 1984, and 80.8 million in 1980.

During the decade of the 90s, the number of young people reaching maturity in the age brackets 20-24 and 25-34 will decline. The 25-34 age grouping is especially important for new family formations. The number of such young families will drop by 6.8% in 1995 and by 15.5% by the year 2000. On the other hand, those families in the 35-54 age bracket will increase steadily throughout the decade. In 1995, such families will increase by 16.6% and by 29.1% by 2000. This suggests that the best marketing opportunities will not lie with very young families--which are just being formed, and where concern about money might be expected to be primary--but with established families with whom style or quality considerations might be expected to predominate.

Household Projections: 1990, 1995, 2000
(Middle Series - B*)

	1990	1995	2000	% Change 2000/1990
Total households	94,227	102,785	105,933	12.4%
25-34 years of age, family head	21,183	19,927	18,004	-15.0
35-54 " " " " "	35,674	41,951	46,942	31.6
55-64 " " " " "	12,311	12,233	13,903	12.9
65 & over	20,396	21,882	22,642	11.0

* Middle of a series of three different projections, each based on alternative assumptions for future fertility, morality, and net immigration levels. Includes Armed Forces overseas.

Source: U.S. Bureau of the Census;
Current Population Reports
Series P-25, No. 1018

Near Term Outlook

The Kurt Salmon Associates Perspective of Dec. 1989 shows recent developments and the near-term outlook as follows:

Home Textiles

	Projection 1990/89	1989/88	1988/87	1987/86
Sheets & pillowcases	+ 1	+ 2	+ 1	+ 1
Other bed items	+ 3	+ 6	+ 3	+ 8
Towels	+ 3	+ 4	- 7	+ 5

CONSUMER EXPENDITURES

The detailed BLS Consumer Expenditure Survey reports include data on total expenditures for home textile and related products by households throughout the United States. In addition, breakouts are available which give average annual expenditures per household for the major categories of household textiles. Information is also supplied on purchases by age of the household head, by income, by region and also by the number of persons in each household.

Purchases of bedroom linens have now become the largest component of home textiles followed by curtains and draperies and bath linens. Expenditures for curtains and draperies and slip covers all lost ground. The greatest increases took place in bedroom linens, window shades and blinds and purchases made for gifts.

Consumer Expenditures For Home Textiles & Related Products: 1987

	Estimated Total		% Change	Quarterly Average % of Consumer
	Mil. $	%	1987/86	Units Purchasing
Home textiles, incl. gifts & shades	$11,292.8	--	--	--
Home textiles, excl. gifts & shades	8,826.1	100.0%	5.1%	25.6%
Bath linens	1,447.7	16.4	18.5	8.7
Bedroom linens	3,442.1	39.0	46.1	10.7
Kitchen/dining linens	558.3	6.3	70.6	3.5
Curtains & draperies	2,553.3	28.9	-11.0	4.4
Slipcovers	151.6	1.7	3.2	1.1
Sewing materials	583.7	6.3	-43.1	7.7
Other linens	89.4	1.0	--	0.7
Gifts:				
Blankets, sheets, towels, table linens	1,090.2	--	91.3	17.6
Window shades, blinds & allied	1,376.5	--	15.0	2.6

Source: U.S. Bureau of Labor Statistics:
1987 Consumer Expenditure Surveys

Average Annual Expenditure for Household Textiles by Households: 1987

Total Household Textiles Mean Expenditure	$81.88
Bathroom linens	11.00
Bedroom linens	27.23
Kitchen & dining linens	2.76
Curtains & draperies	27.12
Slipcovers/decorator pillows	1.61
Other	11.96

Average Annual Expenditure by Age of Household Head: 1987

Mean Expenditure	$81.81
Under 25	36.32
25-34	73.55
35-44	103.96
45-54	116.88
55-64	98.01
65-74	65.90
Over 75	35.35

This table illustrates the overriding importance of the ages from 35 to 60 in the purchasing of household textiles.

Average Annual Expenditure for Household Textiles by Income: 1987

Median	$81.81
Lowest 20%	24.34
Second 20%	43.55
Third 20%	60.22
Fourth 20%	91.87
Top 20%	188.53

Average Annual Expenditure for Household Textiles by Income: 1987

Median	$81.81
Income under $5,000 per annum	23.43
Income $5,000 to $9,999	43.55
Income $10,000 to $14,999	50.36
Income $20,000 to $29,999	67.94
Income $30,000 to $39,999	98.99
Income $40,000 to $49,999	130.46
Income over $50,000	217,34

Again, the pattern is unmistakable. The greater the income, the more likely it is that expenditures for household textiles will rise.

Average Annual Expenditures for Household Textiles by Number of Persons in Consuming Unit: 1987

One person	$40.46
Two persons	90.01
Three persons	104.79
Four persons	112.70
Five persons	91.42
Six or more persons	86.80

CONSUMER EXPENDITURES

Average Annual Expenditures for Household Textiles by Geographic Area: 1987

Median	$81.81
Northeast	79.17
Midwest	79.53
South	70.69
West	105.57

Source: U.S. Bureau of Labor Statistics
1987 Consumer Expenditures Survey

RETAILER OPERATION RESULTS

Department Stores

Merchandising & Operating Results of Specified Home Textiles In Department Stores With Total Sales Over $2 Million: 1988

(Median results)

	Linens & Domestics (7051)#	Window & Furniture Coverings (7055)#
Net sales, % change from last year	6.9%	3.0%
Sales, % to total store	3.3	1.0
Gross margin, % of sales (including cash discounts)	40.5	38.5
Markdowns, % to sales	14.8	14.3
Advertising expense, % to sales	5.0	2.8
Number of stock turns (times)	1.9	1.8
$ sales per sq. ft. of selling space (main or largest selling unit)	$73.0	$61.0

# Number in parenthesis refers to the number of reporting firms in each category.

Source: National Retail Merchants Association:
Merchandising & Operating Results (1989 Edition)

RETAIL ADVERTISING

Newspaper Ad Linage

Percent of Year's Total Lineage Each Month: 1988

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Accessories	3.3%	7.0%	5.1%	8.5%	10.0%	3.5%	3.1%	6.7%	5.7%	11.2%	17.6%	18.3%	100.0%
Bedding & Accessories	7.2	7.5	7.0	5.4	8.5	7.4	6.2	9.2	8.4	9.3	11.3	12.6	100.0
Closet & Bath	7.6	6.4	7.2	7.0	9.8	8.8	5.3	7.5	8.9	10.1	9.5	11.9	100.0
Tabletop	3.1	8.8	8.4	5.5	9.7	3.9	5.8	9.4	7.3	12.4	15.0	10.7	100.0
Window Coverings	3.1	6.8	10.8	9.0	7.0	10.1	6.1	4.7	9.7	12.6	11.0	9.1	100.0

Source: Newspaper Advertising Bureau Inc.:
1989 Newspaper Advertising Planbook

THE RETAIL PICTURE

Sales of home textiles are dominated by a relatively small number of retailers. According to HFD, the top 100 moved 95% of all home textile merchandise in 1988. By major division, the breakdown of sales were follows.

Sales of Home Textiles By Type of Outlet

	Sales ($ in millions)	%
National chains Sears/Penney/Ward	$5,323.2	39.0%
Mass merchandisers	4,467.1	32.7
Department stores	2,645.3	19.3
Specialty stores	699.3	5.2
Catalog houses	294.3	2.2
Warehouse clubs	214.4	1.6

The main gainers over the previous year were mass merchandisers and department stores. The leading firms in each category were:

The Ten Leading Home Textile Retailers

	1988	1987	% Change 1988/87
J.C. Penney	2,790	2,796	--
Sears	2,294	2,166	6.0%
K-Mart	1,366	1,281	7.0
Wal-Mart	1,008	792	27.0
Target Stores	506	425	19.0
Mervyns	273	165	65.0
Montgomery Ward	239	232	3.0
Bradlees	222	200	11.0
Belk	216	180	20.0

THE RETAIL PICTURE

The leaders in sales by type of outlet are listed below.

National Chains:	Sales
J.C. Penney	2,790
Sears	2,294

Top Mass Merchants:	Sales
K-Mart	1,366
Wal-Mart	1,008
Target	506
Ames/Zayre	262
Bradlees	222

Department Stores:	
Mervyn's	273
Belk	216
Dillards	120
Macys-Atlanta/Bullocks	116
Macys-New York	112

Top Specialty Stores:	
Linens 'n' Things	180
Strouds	78
Lee Jay Bed & Bath	70
Fortunoff	65
Bed, Bath & Beyond	60

Mail order has been growing in importance. Both Penney and Sears have major catalog operations. In addition, many major department stores supplement in-store sales with elaborate catalogs to garner additional sales.

A major advantage enjoyed by the national retail and catalog chains is their ability to offer wide assortments of merchandise without having to carry stocks of all styles in all sizes at each location. Customer orders can be filled with quick deliveries from nearby warehouses. These firms are also well positioned to produce made-to-measure and custom made draperies on short notice.

For the different classes of home textiles, there is some variation in the percentage of business booked by various types of retailers. Such information is given in a detailed way in the "Product Shipments and Sales at Retail" section of this Fact File.

SCHEDULE OF ADDITIONAL FACT FILES

Statistical Analysis of Retailing (A Fact File Special Edition): A detailed statistical summary of retail trade in the U.S. based on the findings in the 1987 Census of Retail Trade issued by the U.S. Census Bureau in 1989. Includes information on the number of outlets by store type, sales, market shares by type of major merchandise classification, geographical changes, etc.

The Children's Market: Infants', Toddlers', Girls' and Boys' (Apparel, Juvenile Products, Toys/Dolls): Covers demographic trends affecting this market, including births, population projections by age, and characteristics of households with children. Includes detailed information on the U.S. children's wear industry, including production and shipments, foreign trade and price trends. Also covered are market trends for juvenile products (cribs, strollers, etc.) and for toys, games and dolls.

Consumer Market Developments: An overview of all facets of the consumer market. Within the framework of population and income groups, the markets for children's products, for young adults and for the mature are defined in terms of numbers and buying power. Trends and projections are included as well as an analysis of developments that are shaping the U.S. consumer market--living arrangements, households, working women, marriage and birth rates, etc. Trends in personal consumption expenditures are also covered.

Department Store Sales: Outlines ownership change/ reorganizations in the past year affecting major department and specialty stores. Buying headquarter locations of stores are listed with information on sales and number of outlets included in this total. Notes are included on plans to open and/or close stores. Sales and outlet information is separately listed for corporate headquarter and for national chains.

Dresses and Washable Service Apparel (Women's, Misses' & Juniors'): At the manufacturer level, provides a statistical profile of the dress industry and the products made within this industry, including dresses, washable service apparel, ensembles, etc. Includes number and size of manufacturers, production, and value of shipments, industry location and trends in employment levels. Analyzed is the governing impact of imports on total U.S. market supply. Retail sales by major type of retail outlet are covered, as well as growth in the size of the consumer market, based on population counts, working women by type of occupation, and more.

Fashion Accessories (Men's and Women's): Covers developments in the U.S. industry, in imports and in retail sales for fashion accessories, including small leather goods, handbags, millinery, scarves, gloves, belts, jewelry, sunglasses, watches, etc., to the extent that statistical information is available. Included are production and shipments by U.S. manufacturers plus the quantity and value of imports in recent periods. Retail sales in department and specialty stores are reported, as well as summaries of available studies on consumer buying preferences.

Footwear (Men's, Women's, Boys', Girls'): A statistical summary of the U.S. footwear industry and U.S. market. Covers domestic production and shipments, and details trends in imports and their share of the domestic market, with information on major types of footwear. Includes information on sales trends and operating/merchandising results for shoe departments.

Home Textiles & Related Products: Includes the latest statistics on the U.S. industry, including manufacturers of a wide variety of products--bed linens, towels, blankets, comforters, slip covers, pillows, curtains/draperies and hardware, shades and blinds. Covers the changing competitive nature of the industry through acquisitions of major producers and through consolidation of buying power at the retail level. Includes information on production, shipments and retail sales.

Hosiery/Legwear/Bodywear (Men's, Women's, Boys', Girls'): A comprehensive report on mills making hosiery and related products, including production and shipments, fiber consumption, producer price trends. The growing trend in imports is also covered. At the consumer level, the size of the potential market is measured in terms of population counts and projections and estimates are included on retail sales of major products by type of retail outlet.

Household Appliances, Electric Housewares: Covers a broad range of products included in these two classifications at the manufacturer and at the retail level. Provides a statistical profile of the U.S. industry in terms of number of manufacturers, production, shipments, exports. Imports are detailed, as well as information on export markets. Covers retail sales and merchandising results and information on appliance/radio/TV stores.

Household Furniture and Bedding: Provides an overall view of market trends in the U.S. For the U.S. industry, the report covers statistics on manufacturers, on production and shipments in terms of quantity and value by type of furniture. Trends in the concentration levels in the U.S. industry are reported, as well as in employment and earnings in the industry. Also included is information on the industry in leading states. Consumer market information includes data on characteristics of new housing units (number of rooms); also trends in consumer expenditures for furniture, sales by type of outlet. Details on furniture stores, including the 25 leaders, are also covered.

Men's Clothing and Furnishings: Provides a summary of major market trends in the men's furnishings/work/career apparel area and the tailored clothing areas, as well as in the rainwear area. Covers production and shipment information, employment trends, manufacturer concentration levels, location of the industries. Also examines import/export material. There's a look at the consumer market, plus in-depth details covering the retail level including sales and operating results for men's furnishings/work/career apparel/and tailored wear in both department and men's wear stores.

Men's Sportswear, Casual Wear, Outerwear: The wide variety of men's wear items included are covered from available statistical information on the industry at the manufacturer, retailer and consumer levels. Included is information on production and shipments by domestic producers, imports and exports. The retail market is covered in sales estimates and data on major outlet types, as well as studies of consumer buying practices.

The Sports/Fitness/Leisure Markets: Covers details on U.S. manufacturers in the sporting goods/athletic goods industry, concentrating on products sold through retail outlets such as sporting goods stores and general merchandise stores, as well as functional athletic footwear and apparel. Includes quantity and value of shipments of specified products, concentration of shipments among leading manufacturers, and trends in producer prices. Imports of specified sporting and athletic goods are covered. At the consumer level, data includes statistics and sports participation levels and purchases of specific sports equipment.

Sportswear, Casual Wear, Separates (Women's, Misses' and Juniors'): A statistical view of this segment of the women's wear industry is provided, including data on production and value of shipments, imports of major categories, sales by type of outlet, seasonal patterns, and consumer buying habits.

The Textile/Apparel Industries: Provides an overview of the U.S. textile and apparel industries, their current problems and programs to improve their competitive position in the U.S. market and abroad. Covers a statistical profile of each industry in terms of number of manufacturers, concentration levels, production and shipments, including exports. Trends in imports in terms of quantity and value are detailed, as well as quota developments. Also included is information on plant and equipment expenditures and on mill machinery in place in U.S. mills.

Toiletries, Cosmetics, Fragrances and Beauty Aids: A detailed view of the U.S. industry, leading manufacturers, sales of products for both men and women, trends in industry employment and earnings, advertising expenditures and foreign trade. Consumer expenditures by product are detailed as well as retail sales by outlet type, and consumer buying patterns and usage in regard to specified products.

Women's Inner Fashions; Nightwear, Daywear and Loungewear: An analysis of statistical information available on the industry and market, from manufacturer through to consumer. Includes the latest available data on U.S. production, shipments and exports; and details on imports. Retail sales and operating results in department and specialty stores are covered, as well as trends in producer and consumer prices. Developments in the size of the consumer market and trends in the market are summarized.

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Distributed Through
Book Division
Fairchild Publications
Division of Capital Cities Media, Inc.
New York

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E. B. Gold
Fairchild Book Division

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Standard Book Number: 87005-719-7
Printed in the United States of America

HOUSEHOLD FURNITURE AND BEDDING

EXECUTIVE SUMMARY

Personal consumption expenditures for furniture and bedding totaled approximately $34.8 billion in 1989; increasing 3.8% over 1988, according to the U.S. Dept. of Commerce, Bureau of Economic Analysis.

According to the American Furniture Manufacturers Association 1989, product shipments of furniture increased 1.4% over 1988, with bedroom furniture rising 8.0%, recliners up 7.2%, and occasional furniture up 6.1%.

U.S. furniture imports fell for the first time since 1975, declining about 5% based on 7 months of data in 1989, compared to 1988. 1990 imports are also expected to fall, or remain flat, according to the International Trade Administration (ITA).

The ITA estimated a 32% increase in U.S. furniture exports in 1989 compared to 1988. The rebound of the dollar may cause exports to slow somewhat in 1990, but should still show gains.

MARKET TRENDS

The U.S. household furniture industry experienced weak demand in 1989, continuing a pattern set in 1988, caused primarily by uncertainty about the economy, and declines in housing, according to industry experts. Housing starts, which tie into furniture sales to some extent, tumbled to the lowest level since 1982, to 1.37 million units, as sales fell 3.8%. Faced with high mortgage rates, the percent of income consumers spent on furniture remained flat at roughly 1% through the 1980s. In turn, the number of pieces of furniture sold fell 1.5% in 1989, according to the American Furniture Manufacturers Association.

With baby boomers turning 35 to 54 years old, industry experts are optimistic about the future of furniture sales, as furniture expenditures are highest among this age group. As boomers reach their peak earning years, having the highest percent of discretionary income relative to total income, furniture shipments are bound to benefit. Also, an overall change in American lifestyles to a less mobile, more sedentary and nest-building society is emerging in the 1990s according to analysts. This change could have a positive affect on furniture sales, as consumers focus more attention on their homes, and demand more attractive surroundings.

The trend toward consolidation intensified in 1989, as acquisitions activity and leveraged buyouts led to an increasing level of debt carried by the industry. Many of the top producers were involved in mergers and acquisitions, including the sale of Ethan Allen by Interco, and the sale of giant Ohio Mattress Company, known for its Sealy and Stearns and Forster brands. Such consolidation is expected to continue according to the U.S. Dept. of Commerce, as manufacturers are faced with increasing costs, and competition from foreign producers and other household durables.

HOUSEHOLD FURNITURE & BEDDING

MARKET TRENDS

Demand for ready-to-assemble (RTA) furniture increased substantially in 1989, as consumers gave the category high ratings on appearance, value and strength. A consumer survey conducted by George Carter & Affiliates, put the growth potential of RTA to 150% by the year 2000, compared to an anticipated growth of 34% in household furniture produced over the same time. Bookshelves, entertainment centers and TV stands were among the most popular items purchased. In an effort to upgrade the category, manufacturers are offering consumers new colors, faux stone finishes, and new stylings other than the basic Colonial look. They are also trying to expand into other distribution channels, including furniture, department and specialty stores. As a result, national retailers Levitz Furniture and Sears, have inaugurated new home furnishings programs that feature RTA.

There was a continuing surge in demand for American country, which has become the largest selling home furnishings style. Eighteenth-century traditional styles kept their niche in the market, as interest in contemporary patterns remained fairly constant. Retailers reported that traditional looks, quality craftsmanship and value prevailed overall.

Although sales of bedding have been sluggish in recent years, manufacturers predict a rebound. Units of mattresses and foundations remained flat in 1989; however, dollar value rose 4.2%, according to the latest information from the International Sleep Products Association. A shift toward specialty stores and sleep shops was also noted.

Mass merchants and specialty stores will have a great impact on furniture retailing in the future according to retailers. These channels offer an opportunity in the marketplace at a time when conventional retail furniture channels are declining or experiencing sluggish growth. As a result, vendors are tapping into the mass market with separate product lines and sales forces targeted to the needs of discounters, wholesale clubs and home centers.

AT THE MANUFACTURER LEVEL

GENERAL INDUSTRY STATISTICS

Industry Shipments

An analysis of trends in the furniture and bedding industry compiled by the International Trade Administration, U.S. Department of Commerce in the third quarter of 1989, is included in the 1990 U.S. Industrial Outlook.

The ITA estimated industry shipments (which include all products, both primary and secondary, made in plants in the specified industry classifications, plus miscellaneous receipts and contract work) at $19.9 billion for 1989, an increase of 2.4% over 1988. Eliminating the effects of inflation for 1990, a drop of 1.7% compared to 1989 was forecast compared with a decline of 1.1% in real value of industry shipments in 1989 versus 1988.

Industry Shipments (continued)

Estimated Value of Furniture Industry Shipments: 1987, 1988, 1989
(Millions of current dollars)

	1989(e)	1988(e)	1987(p)	% Change 1989/88	% Change 1988/87
Value of industry shipments, total	$19,883	$19,411	$18,526	2.4%	4.8%
Wood household furniture	8,521	8,294	7,929	2.7	4.6
Upholstered household furniture	5,610	5,518	5,248	1.7	5.1
Metal household furniture	2,196	2,161	2,079	1.6	3.9
Mattresses & bedsprings	2,726	2,600	2,447	4.8	6.3

(Millions of constant 1987 dollars)

	1990(f)	1989(e)	1988(e)	% Change 1990/89	% Change 1989/88
Value of industry shipments, total*	$18,158	$18,466	$18,665	-1.7%	-1.1%
Wood household furniture	7,654	7,810	7,929	-2.0	-1.5
Upholstered household furniture	5,142	5,247	5,300	-2.0	-1.0
Metal household furniture	2,027	2,058	2,100	-1.5	-2.0
Mattresses & bedsprings	2,533	2,533	2,508	-0-	1.0

(f) forecast
(e) estimate
(p) preliminary
* Value of all products and services sold by establishments in the household furniture industry.

Source: U.S. Department of Commerce, International Trade Administration: 1990 U.S. Industrial Outlook

The latest detailed information on manufacturers classified in the furniture and bedding industry has been published by the U.S. Bureau of the Census, in the 1987 Census of Manufactures. This report is the first complete census to be conducted since the 1982 Census of Manufactures. In intercensal years, the Census Bureau conducts annual surveys of manufactures to provide a continuous series of basic industry statistics.

Profile of the U.S. Furniture & Bedding Manufacturing Industry: 1982, 1986, 1987

Wood Household Furniture (SIC 2511*)

	1987	1986	1982	% Change 1987/82
Number of companies**	2,770	na	2,430	14.0%
Number of establishments, total***	2,948	na	2,607	13.1
Number with 20 or more employees	864	na	833	3.7
Employees, total (thous.)	135.8	128.6	125.6	8.1
Production workers (thous.)	118.8	114.1	109.2	8.8
Payroll (mil. $) (production workers)	$1,569.3	$1,414.7	$1,070.6	46.6
Value added by manufacture# (mil. $)	4,265.5	3,802.8	2,715.0	57.1
Value of industry shipments## (mil. $)	7,980.3	7,237.5	5,056.6	57.8
Capital expenditures, new (mil. $)	196.9	138.5	119.1	65.3

Upholstered Household Furniture (SIC 2512*)

	1987	1986	1982	% Change 1987/82
Number of companies**	1,030	na	1,129	- 8.8%
Number of establishments, total***	1,150	na	1,227	- 6.3
Number with 20 or more employees	576	na	602	- 4.3
Employees, total (thous.)	82.1	77.9	70.6	16.3
Production workers (thous.)	69.6	65.6	59.8	16.4
Payroll (mil. $) (production workers)	$ 982.7	$ 896.4	$ 637.2	54.2
Value added by manufacture# (mil. $)	2,661.2	2,489.2	1,745.3	52.5
Value of industry shipments## (mil. $)	5,263.1	4,945.0	3,505.3	50.1
Capital expenditures, new (mil. $)	76.9	79.1	57.2	34.4

Metal Household Furniture (SIC 2514*)

	1987	1986	1982	% Change 1987/82
Number of companies**	374	na	413	- 9.4%
Number of establishments, total***	418	na	454	- 7.9
Number with 20 or more employees	211	na	205	2.9
Employees, total (thous.)	30.1	26.9	27.0	11.5
Production workers (thous.)	24.3	21.7	21.5	13.0
Payroll (mil. $) (production workers)	$ 330.4	$ 289.6	$ 240.3	37.5
Value added by manufacture# (mil. $)	1,047.6	941.7	807.0	29.8
Value of industry shipments## (mil. $)	2,141.2	1,901.5	1,590.7	34.6
Capital expenditures, new (mil. $)	37.7	29.7	25.4	48.4

(continued)

Profile of the U.S. Furniture & Bedding Manufacturing Industry: 1982, 1986, 1987
(continued)

Bedding (Mattresses & Bedsprings), (SIC 2515*)

	1987	1986	1982	% Change 1987/82
Number of companies**	721	na	786	- 8.3%
Number of establishments, total***	839	na	902	- 7.0
Number with 20 or more employees	335	na	336	- 0.3
Employees, total (thous.)	24.4	20.3	25.4	- 3.9
Production workers (thous.)	17.9	14.5	19.0	- 5.8
Payroll (mil. $) (production workers)	$ 258.8	$ 216.9	$ 218.9	18.2
Value added by manufacture# (mil. $)	1,164.5	961.5	882.4	32.0
Value of industry shipments## (mil. $)	2,417.3	2,074.6	1,935.4	24.9
Capital expenditures, new (mil. $)	34.2	23.7	25.0	36.8

Wood TV & Radio Cabinets (SIC 2517*)

	1987	1986	1982	% Change 1987/82
Number of companies**	79	na	81	- 2.5%
Number of establishments, total***	80	na	83	- 3.6
Number with 20 or more employees	36	na	37	- 2.7
Employees, total (thous.)	5.9	6.2	7.0	-15.7
Production workers (thous.)	5.1	5.4	5.9	-13.6
Payroll (mil. $) (production workers)	$ 70.6	$ 75.8	$ 66.4	6.3
Value added by manufacture# (mil. $)	167.5	189.6	152.1	10.1
Value of industry shipments## (mil. $)	351.1	382.1	306.6	14.5
Capital expenditures, new (mil. $)	7.0	8.0	7.3	- 4.1

Household Furniture, Not Elsewhere Classified (SIC 2519*)

	1987	1986	1982	% Change 1987/82
Number of companies**	175	na	196	-10.7%
Number of establishments, total***	177	na	202	-12.4%
Number with 20 or more employees	51	na	63	-19.0
Employees, total (thous.)	5.9	6.9	7.4	-20.3
Production workers (thous.)	5.0	5.8	6.0	-16.7
Payroll (mil. $) (production workers)	$ 73.2	$ 80.5	$ 76.4	- 4.2
Value added by manufacture# (mil. $)	178.2	192.9	153.3	16.2
Value of industry shipments## (mil. $)	403.9	450.3	381.1	6.0
Capital expenditures, new (mil. $)	24.1	21.9	11.9	102.5

(see footnotes on next page)

GENERAL INDUSTRY STATISTICS

na not available

* Manufacturing plants are classified by industry under the 1987 Standard Industrial Classification (SIC) system determined by the principal product made, as shown below:

> SIC 2511 comprises establishments primarily engaged in manufacturing wood household furniture used in dwellings, not including upholstered pieces, but including infants' and children's wood furniture and wood outdoor furniture.
>
> SIC 2512 comprises establishments primarily manufacturing upholstered furniture on wood frames. Shops engaged primarily in reupholstering furniture or upholstering frames to individual orders, are not included, nor are manufacturers of dual-purpose sleep furniture.
>
> SIC 2514 covers establishments primarily engaged in manufacturing metal household furniture, (except dual-purpose sleep furniture), cabinets, outdoor furniture, etc.
>
> SIC 2515 comprises manufacturers of mattresses (non-innerspring, innerspring, box, etc.), spring cushions and dual-purpose sleep furniture (studio couches, sofa beds, chair beds). This industry is referred to as the "Bedding Industry" in this Fact File.
>
> SIC 2517 comprises manufacturers of wood TV, radio, phonograph and sewing machine cabinets.
>
> SIC 2519 comprises establishments primarily manufacturing reed, rattan, and other wicker furniture, plastic and fiberglass household furniture and cabinets, and household furniture not elsewhere classified.

** For the census, a company is defined as a business organization consisting of one establishment or more under common ownership or control.

***An establishment covers a plant with one or more employees. It is a single physical location where manufacturing is performed and is classified on the basis of its major product in the specific year covered--which might change from one year to another. Includes establishments with payroll at any time during the year.

# Value added by manufacture is derived by subtracting the cost of finished products, materials, supplies, fuel, contract work, etc., from the value of shipments (including resales of finished products) plus the net change in the value of finished products and work-in-process inventories between the beginning and end of the year, without adjustment for price changes.

## Value of industry shipments represents the net selling values, f.o.b. plant, after discounts and allowances, and excluding freight charges and excise taxes, and includes both products described as primary to the industry as well as secondary products and miscellaneous receipts. This value should be clearly distinguished from the total value of furniture and bedding manufactured by all producers, including those classified in other industries. This total product value is shown in the section on PRODUCT SHIPMENTS.

Source: U.S. Bureau of the Census: 1987 Census of Manufactures, Industry Series MC87-I-25A

GENERAL INDUSTRY STATISTICS

Employment & Earnings

Information on employment is compiled by both the Department of Commerce (annual figures) and by the Department of Labor, Bureau of Labor Statistics (monthly and annual). The methodology used by these sources differs somewhat, leading to slightly different employment totals in some instances.

In 1989, producers responded to rising costs of raw materials, and soft consumer demand, by trimming inventories, scheduling plant downtime and cutting back on their workforces when necessary. Annual average employment levels for 1989 have not yet been released by the BLS. However, as of December, employment in wood household furniture manufacturing plants was down 3.0% compared with December 1988; production workers were down 3.8%. In metal furniture manufacturing, the level of production worker employment declined 12.2% last December; in bedding manufacturing, production worker employment was down 3.9%; in upholstered furniture, employment of production workers was down 0.5%.

Annual averages are expected to reflect declines in employment, reversing the pattern for recent years.

Employment & Earnings in the Household Furniture & Bedding Industry: 1987, 1988, December 1989

	Dec.	Annual Average		% Change	
	1989(p)	1988	1987	Annual 1988/87	Dec. 1989/88
Wood household furniture:					
Total employees (thous.)	135.9	138.7	137.2	1.1%	- 3.0%
Production workers (thous.)	118.1	121.2	120.1	0.9	- 3.8
Average weekly earnings	$291.40	$270.86	$263.71	2.7	3.2
Average weekly hours	39.7	39.6	40.2	- 1.5	- 2.5
Upholstered household furniture:					
Total employees (thous.)	101.7	100.4	98.4	2.0	0.1
Production workers (thous.)	85.1	84.3	82.3	2.4	- 0.5
Average weekly earnings	$334.44	$302.44	$303.03	- 0.2	2.5
Average weekly hours	39.3	37.9	38.9	2.6	- 1.5
Metal household furniture:					
Total employees (thous.)	25.1	27.2	26.5	2.6	-10.7
Production workers (thous.)	20.2	22.1	21.6	2.3	-12.2
Average weekly earnings	$325.40	$292.32	$291.46	0.3	7.9
Average weekly hours	41.4	40.6	41.4	- 1.9	0.7
Mattresses & bedsprings:					
Total employees (thous.)	29.2	30.0	28.5	5.3	- 2.3
Production workers (thous.)	22.3	23.1	21.6	6.9	- 3.9
Average weekly earnings	$313.08	$306.54	$294.51	4.1	1.4
Average weekly hours	38.7	39.3	38.7	1.6	-0-

(p) preliminary

Source: U.S. Department of Labor,
Bureau of Labor Statistics: Employment & Earnings

Employment & Earnings (continued)

Production Employment Levels in Household Furniture & Bedding Manufacturing Plants: 1983-1988

(Annual averages in thousands)

	1988	1987	1986	1985	1984	1983	% Change 1988/83
Household furniture, total*	261.9	258.1	247.5	246.6	247.6	231.6	13.1%
Wood furniture	121.2	120.1	115.0	115.3	115.4	108.6	11.6
Upholstered furniture	84.3	82.3	77.4	75.2	75.1	69.8	20.8
Metal furniture	22.1	21.6	21.2	21.6	22.7	21.3	0.8
Bedding (mattresses, springs, dual purpose sleep)	23.1	21.6	22.1	22.5	22.8	21.8	6.0

* Includes miscellaneous furniture, such as wicker, TV and radio cabinets, other cabinets, etc., not separately listed.

Source: U.S. Bureau of Labor Statistics: Supplement to Employment & Earnings (August 1989)

Concentration in the Industry

With increased competition from imports, and a decline in retail floor space, the furniture industry--which has traditionally been fragmented into predominantly small operations with largely local interests--has undergone a change. Large companies, utilizing advanced technology, with a more diverse manufacturing base, and greater marketing clout, now dominate.

According to the U.S. Department of Commerce, 2 of the top 10 producers recently fought hostile takeovers, while 4 of the top 10 producers were involved in mergers or acquisitions. Such consolidation is expected to continue in the industry, in order for producers to compete with foreign producers, as well as absorb increased costs. Some of the small firms are likely to exit the industry.

While most household furniture plants tend to be small operations, with under 10 employees, it is the large operations that dominate shipments, and concentration levels have increased since 1982.

Only 4.7% of plants (or 138) in the wood household furniture industry in 1987 had 250 or more employees. However, these large establishments accounted for 56.9% of industry shipments. This was the trend for all measured categories except bedding, where the highest share of shipments was concentrated in establishments with 10 to 49 employees.

In 1982, 123 wood household furniture plants--4.7% of the total--had 250 employees or more. These plants accounted for 32.2% of industry shipments. In upholstered furniture, plants of this size (57) accounted for 4.8% of plants in this industry, and 38.0% of shipments in 1982.

Concentration in the Industry (continued)

The Household Furniture & Bedding Industry By Employment Size: 1987

	Establishments		Employees		Value added by Manufacture		Value of Industry Shipments	
	Number	%	Number (thous.)	%	Mil. $	%	Mil. $	%
Wood household furniture, total*	2,948	100.0%	135.8	100.0%	$4,265.5	100.0%	$7,980.3	100.0%
By establishment size:								
Under 10 employees	1,727	58.6	5.8	4.3	152.7	3.6	285.5	3.6
10 - 49 employees	739	25.1	17.0	12.5	481.3	11.3	914.4	11.5
50 - 99 employees	191	6.5	13.5	9.9	405.4	9.5	805.9	10.1
100 - 249 employees	153	5.2	24.3	17.9	760.0	17.8	1,429.9	17.9
250 or more employees	138	4.7	75.3	55.4	2,466.2	57.8	4,544.6	56.9
Upholstered household furniture, total	1,150	100.0	82.1	100.0	2,661.2	100.0	5,263.1	100.0
By establishment size:								
Under 10 employees	404	35.1	1.6	1.9	41.2	1.5	81.0	1.5
10 - 49 employees	378	32.9	9.1	11.1	257.9	9.7	472.1	9.0
50 - 99 employees	150	13.0	10.4	12.7	328.4	12.3	626.1	11.9
100 - 249 employees	142	12.3	22.2	27.0	702.3	26.4	1,403.2	26.7
250 or more employees	76	6.6	38.8	47.3	1,331.5	50.0	2,680.7	50.9
Metal household furniture, total	418	100.0	30.1	100.0	1,047.6	100.0	2,141.2	100.0
By establishment size:								
Under 10 employees	146	34.9	0.6	2.0	15.6	1.5	33.4	1.6
10 - 49 employees	146	34.9	3.5	11.6	125.0	11.9	267.8	12.5
50 - 99 employees	38	9.1	2.7	9.0	105.0	10.0	204.0	9.5
100 - 249 employees	57	13.6	9.6	31.9	332.1	31.7	633.0	29.6
250 or more employees	31	7.4	13.7	45.5	469.9	44.9	1,003.0	46.8
Mattresses & bedsprings, total	839	100.0	24.4	100.0	1,164.5	100.0	2,417.3	100.0
By establishment size:								
Under 10 employees	341	40.6	1.3	5.3	42.2	3.6	89.6	3.7
10 - 49 employees	357	42.6	8.4	34.4	364.7	31.3	809.9	33.5
50 - 99 employees	88	10.5	6.1	25.0	318.1	27.3	646.4	26.7
100 - 249 employees	47	5.6	6.8	27.9	371.5	31.9	715.0	29.6
250 or more employees	6	0.7	1.8	7.4	68.0	5.8	156.5	6.5
Wood TV & radio cabinets, total	80	100.0	5.9	100.0	167.5	100.0	351.1	100.0
By establishment size:								
Under 10 employees	36	45.0	0.1	1.7	3.2	1.9	5.9	1.7
10 - 49 employees	25	31.3	0.6	10.2	17.4	10.4	33.2	9.5
50 - 99 employees	5	6.3	0.4	6.8	8.5	5.1	15.6	4.4
100 - 249 employees	6	7.5	1.0	16.9	30.4	18.1	62.6	17.8
250 or more employees	8	10.0	3.8	64.4	107.9	64.4	233.7	66.6

(continued)

Concentration in the Industry (continued)

The Household Furniture & Bedding Industry By Employment Size: 1987
(continued)

	Establishments		Employees		Value added by Manufacture		Value of Industry Shipments	
	Number	%	Number (thous.)	%	Mil. $	%	Mil. $	%
Household furniture, n.e.c. total	177	100.0%	5.9	100.0%	178.2	100.0%	403.9	100.0%
By establishment size:								
Under 10 employees	104	58.8	0.3	5.1	9.7	5.4	18.8	4.7
10 - 49 employees	46	26.0	1.1	18.6	33.1	18.6	58.5	14.5
50 - 99 employees	14	7.9	0.9	15.3	36.3	20.4	66.7	16.5
100 - 249 employees	8	4.5	1.3	22.0	38.1	21.4	85.9	21.3
250 or more employees	5	2.8	2.3	39.0	61.1	34.3	174.0	43.1

n.e.c. not elsewhere classified

Source: U.S. Department of Commerce:
1987 Census of Manufactures,
Industry Series MC87-I-25A

Leading Manufacturers

A list of the top manufacturers in the furniture industry, ranked by 1988 sales volume, was compiled by HFD (May 29, 1989). Many of the top companies on this list grew as a result of mergers, acquisitions, buyouts and sellouts, that continued to have a great impact on the industry.

St. Louis-based Interco once again topped the list, holding on to its number one spot, with sales in excess of $1 billion. The company successfully fought off a buyout attempt by Steven & Michael Rales of Washington D.C., however the company was forced to restructure, retaining its Broyhill and Lane companies, but selling off Ethan Allen.

With the purchase of some of the industry's top companies, Masco moved up to the number two spot, increasing 1988 sales 65% over the previous year. Another major change that occurred was the acquisition of Mohasco Corp. by Citicorp Capital Investors Ltd. and Mutual Series Funds Inc.

In the bedding industry, the Ohio Mattress Company, the largest bedding maker in the world, agreed to be acquired by an affiliate of Gibbons, Green van Amerongen, a privately held investment firm that specialized in management buyouts. Simmons Company also agreed to an employee buyout from Wesray Capital.

Leading Manufacturers (continued)

Volume Leaders in Furniture & Bedding Manufacturing: 1987, 1988
(Sales in millions)

	1988	1987
Interco	$1,100	$ 1,100
Masco	801	485
Ohio Mattress Co.	662	598
The LA-Z Boy Chair Co.	550	486
Universal Furniture Ltd.	472	237
Bassett Furniture Industries	466	475
Armstrong World Inc.	418	361
Mohasco Furniture Co.	410	414
Simmons	400	340
Ladd Furniture Co.	380	387
Chicago Pacific Furniture Co.	275	245
Serta Inc.	265**#	250**#
Townhouse/Penthouse Industries	235*	125*
Spring Air Co.	233**#	232**#
Sauder Woodworking	230	225
Klaussner Furniture Industries	225	185
Stanley Furniture	185	184
Flexsteel Industries Inc.	165	156
Leggett & Platt Inc.	152	118
Almet/Lawnlite	135	120
O'Sullivan Industries	135	130
Singer Furniture	133	150
Salotti Natuzzi Spa	130#	72
King Koil Sleep Products	125**#	125**#
Cleveland-Jackson	125*	121

* HFD Estimate
** Includes licensed manufacturing
# Worldwide

Source: HFD (The Weekly Home Furnishings Newspaper)
(May 29, 1989)

GENERAL INDUSTRY STATISTICS

Location of the Industry

Leading Manufacturing States in the Furniture & Bedding Industry: 1987

	No. of Establishments		Value Added By Manufacture** (Mil. $)
	Total	No. with 20+ Employees	
SIC 2511* Wood Household Furniture			
U.S. total	2,948	864	$ 4,265.5
California	442	166	435.4
New York	248	53	235.9
North Carolina	228	122	1,188.2
Florida	220	28	87.7
Pennsylvania	126	38	131.5
Massachusetts	98	29	85.1
Tennessee	95	39	149.6
Leading states, total	1,457	475	2,313.4
All other states	1,491	389	1,952.1
SIC 2512* Upholstered Household Furniture			
U.S. total	1,150	576	2,661.2
North Carolina	264	168	882.0
California	194	91	317.9
Mississippi	94	63	469.8
Tennessee	66	44	225.2
Leading states, total	618	366	1,894.9
All other states	532	210	766.3
SIC 2514* Metal Household Furniture			
U.S. total	418	211	1,047.6
California	82	50	(D)
New York	52	18	45.2
Florida	42	13	41.3
Illinois	31	19	108.7
North Carolina	23	17	56.1
Pennsylvania	21	12	66.3
Leading states, total	251	129	(D)
All other states	167	82	(D)
SIC 2515* Mattresses & Bedsprings			
U.S. total	839	335	1,164.5
California	115	44	(D)
Florida	59	25	98.3
Texas	57	21	85.0
New York	49	16	41.4
North Carolina	35	17	(D)
Ohio	28	13	61.4
Georgia	28	16	53.5
Leading states, total	371	152	(D)
All other states	468	183	(D)

(continued)

Location of the Industry (continued)

Leading Manufacturing States in the Furniture & Bedding Industry: 1987
(continued)

	No. of Establishments Total	No. with 20+ Employees	Value Added By Manufacture** (Mil. $)
SIC 2517* Wood TV & Radio Cabinets			
U.S. total	80	36	$ 167.5
California	18	9	(D)
Indiana	5	3	(D)
Leading states, total	23	12	(D)
All other states	57	24	(D)
SIC 2519* Household Furniture, n.e.c.			
U.S. total	177	51	178.2
Florida	44	10	(D)
California	26	9	(D)
Illinois	13	4	(D)
New York	13	7	(D)
Leading states, total	96	30	(D)
All other states	81	21	(D)

* For definitions of these SIC numbers, see page 6.
** For definitions of terms, see page 6.
n.e.c. not elsewhere classified
(D) Data withheld to avoid disclosure for individual companies.

Source: U.S. Department of Commerce:
1987 Census of Manufactures,
Industry Series MC87-I-25A

Operating Ratios (Manufacturers)

Selected Operating Ratios for the Household Furniture & Bedding Industry: 1982 and 1987

	Payroll Per Employee	Production Workers: % of Total Employment	Average Annual Hours: Production Workers	Cost of Materials: % of Value of Shipments
Household Furniture:				
Wood				
1987	$14,853	87%	1,980	47%
1982	11,167	87	1,806	46
Upholstered				
1987	$15,776	85	1,902	50
1982	12,038	85	1,766	50
Metal				
1987	$16,545	81	1,963	52
1982	13,422	80	1,944	49

(continued)

Operating Ratios (continued)

Selected Operating Ratios for the Household Furniture & Bedding Industry: 1982 and 1987
(continued)

	Payroll Per Employee	Production Workers: % of Total Employment	Average Annual Hours: Production Workers	Cost of Materials: % of Value of Shipments
Wood TV & Radio Cabinets				
1987	$15,508	86%	2,020	52%
1982	12,657	84	1,831	50
Other (SIC 2519)				
1987	17,186	85	2,020	56
1982	13,608	81	1,950	59
Bedding				
1987	$18,369	73	1,944	52
1982	14,070	75	1,874	54

Source: U.S. Bureau of the Census: 1987 Census of Manufactures, Industry Series MC87-1-25A

Plant Capacity

For the fourth quarter of 1987, household furniture plants operated at 84% of the industy's preferred level of capacity, 5% above the level for the corresponding quarter of 1984. The preferred level is defined as a level, normally between actual operations and practical capacity, which the manufacturer would prefer not to exceed due to costs or other considerations (i.e. where profits would be maximized). The following figures represent the ratio of actual utilization to the preferred level of operation. By comparison, for the fourth quarter of 1987, the entire American industry, comprising both durable and non-durable groups, operated at 78% of its preferred level of capacity, with durable goods industries at 75%, and non-durable goods industries at 81%.

Capacity Utilization Rates in the Household Furniture Industry: Fourth Quarters 1984 - 1987

	1987	1986	1985	1984
Household Furniture	84	83	82	79
Wood	89	85	83	78
Upholstered	90	92	90	91
Metal	79	na	74	na
Wood TV, radio cabinets	83	94	72	86
Other (SIC 2519)	52	50	64	67
Bedding	67	79	79	66

na not available

Source: U.S. Bureau of the Census: Current Industrial Reports, Survey of Plant Capacity MQ-C1 (87-1)

Materials Consumed in Furniture/Bedding Manufacture

There was an increase in delivered costs of materials consumed in all of the specified furniture and bedding categories during the five year interval between the 1982 and the 1987 Census of Manufactures, according to the Census Bureau. The delivered cost of materials not only includes the price for the material, but also freight charges and any other charges incurred by the establishment in acquiring these materials.

Delivered costs of materials, parts and supplies in the wood furniture category rose 59.7% in 1987 over 1982. While upholstered furniture rose 51.3%, metal household furniture increased 39.2%. Wood television and radio cabinets were up 21.8%; mattresses and bedsprings rose 34.6%; and household furniture, n.e.c. was up 1.6%.

Delivered Costs of Materials Consumed in the Production of Household Furniture: 1982, 1987

	Unit of Measure	Delivered Cost (Mil. $)	
		1987	1982
Wood household furniture:			
Materials, parts & supplies	--	$3,324.2	$2,082.0
Selected materials:			
Hardwood lumber, rough & dressed	mil. bd. ft.	416.4	299.5
Softwood lumber, rough & dressed	mil. bd. ft.	137.1	116.9
Hardwood dimension & parts, excl. furniture parts	--	243.8	147.0
Softwood plywood	mil. sq. 3/8 in.	17.6	16.6
Hardwood (wood fiberboard)	--	39.2	26.4
Furniture frames, wood	--	104.7	51.9
Paints, varnishes, lacquers, etc.*	1,000 gal.	149.4	110.9
Flat glass (plate, float, and sheet)	--	51.6	34.7
Furniture & builders' hardware **	--	219.2	122.1
Upholstered household furniture:			
Materials, parts, containers & supplies	--	2,561.3	1,692.9
Selected Materials:			
Hardwood lumber, rough & dressed	mil. bd. ft.	90.0	62.6
Softwood lumber, rough & dressed	mil. bd. ft.	20.6	31.3
Furniture frames, wood	--	238.2	119.0
Woven upholstery fabrics, excl. ticking & muslin:	--		
Cotton	--	105.4	90.5
Other (rayon, nylon, polyester, etc.)	--	516.4	351.3
Paddings, battings & fillings, excl. rubber & plastics foam	--	79.2	61.8
Springs, innerspring units, & box spring constructions	--	68.7	36.1
Foam cores for mattresses, incl. latex, excl. topper pads	--	34.8	31.9
Formed & slab stock for pillows, cushions, seatings, etc. (urethane)	--	265.7	156.3

(continued)

Materials Consumed in Furniture/Bedding Manufacture (continued)

Delivered Costs of Materials Consumed in the Production of Household Furniture: 1982, 1987
(continued)

	Unit of Measure	Delivered Cost (Mil. $) 1987	1982
Metal household furniture:			
Materials, parts, containers & supplies	--	$1,007.2	$ 723.7
Selected materials:			
Mill shapes & forms, excl. castings:			
Carbon steel, incl. wrought iron:			
Sheet & strip	1,000 tons	88.0	72.4
All other carbon steel mill shapes & forms, incl. tubing	1,000 tons	71.6	61.7
Paints, varnishes, lacquers, etc.*	1,000 gal.	20.8	18.2
Coated or laminated fabrics for upholstery, incl. vinyl coated	mil. lin. yd.	59.2	35.6
Furniture & builders hardware**		41.5	30.6
Flat glass (plate, float & sheet)	mil. sq. ft.	25.6	21.6
Wood television & radio cabinets:			
Materials, parts, and supplies	--	174.5	143.3
Selected materials:			
Hardwood lumber, rough & dressed	mil. bd. ft.	8.9	12.2
Softwood lumber, rough & dressed	mil. bd. ft.	2.1	(D)
Particleboard (wood)	--	19.8	14.3
Paints, varnishes, lacquers, etc.*	1,000 gal.	8.1	7.2
Furniture & builder hardwood**	--	11.6	10.1
Mattresses and bedsprings:			
Materials, parts, containers & supplies	--	1,202.4	1,010.1
Selected materials:			
Furniture frames, wood	--	44.0	27.2
Core material, excl. padding & topper pads:			
Springs, innerspring units & box spring constructions	--	244.1	181.4
Foam core, incl. latex	--	26.8	43.0
Ticking (mattress)	mil. bales	143.1	100.9
Padding, foam, excl. mattress cores	mil. bd. ft.	56.6	43.1
Cotton linters and cotton waste	mil. lb.	13.3	14.1

(continued)

Materials Consumed in Furniture/Bedding Manufacture (continued)

Delivered Costs of Materials Consumed in the Production of Household Furniture: 1982, 1987
(continued)

	Unit of Measure	Delivered Cost (Mil. $) 1987	Delivered Cost (Mil. $) 1982
Household furniture, n.e.c.			
Materials, parts & supplies	--	$ 215.2	$ 211.9
Selected materials:			
Plastic resins, excl. sheets, rods, tubes & shapes	mil. lb.	83.0	42.1
Furniture hardware, incl. cabinet hardware, glides, handles, hinges, etc.	--	0.9	1.0

* Includes shellacs, japans, enamels and allied products.
** Includes cabinet hardware, glides, handles, hinges, locks, casters, etc.
(D) Withheld to avoid disclosing data for individual companies.

Source: U.S. Bureau of the Census:
1987 Census of Manufactures,
Industry Series MC87-I-25A

NATIONAL ADVERTISING EXPENDITURES

Estimates on advertising-to-sales ratios by industry are compiled by Schonfeld & Associates, Evanston, Illinois, from a variety of sources, including the 10-K reports of publicly held companies. The following summary has been published in Advertising Age, from the complete report, "Advertising Ratios & Budgets", which includes forecasts.

In using the data it should be noted that expenditures included as advertising in 10-K reports may vary from company to company; privately-owned companies are not included; multi-industry companies are reported only in their primary industry (based on sales of their dominant line of business).

Household Furniture Industry Advertising Expenditures: 1984, 1985, 1986, 1988, 1989

	Ad Dollars As % of Sales	Ad Dollars As % of Margin*	Ad Dollars Annual Growth Rate %
1989	4.8%	14.6%	12.1%
1988	3.4	10.9	18.4
1986	2.7	9.5	13.0
1985	2.6	9.0	14.5
1984	2.1	6.9	14.9

* Margin is net sales less cost of goods sold
Note: 1987 figures have not been calculated.

Source: Pansophic Systems and Schoenfeld & Associates (Advertising Age)

NATIONAL ADVERTISING EXPENDITURES

In its Leading National Advertisers report, the Publishers Information Bureau details spending on consumer magazine advertising space by furniture companies, including the companies listed below.

Leading Furniture and Bedding Advertiser's Spending For Space in Consumer Magazines: 1988, 1989

Furniture	Space Costs ($000)	
	1989	1988
Lane (Interco)	3,002.0	$3,639.4
LA-Z Boy Chair Co.	2,756.0	1,709.3
Thomasville	2,733.2	2,409.4
Hendredon Furniture Industries, Inc.	2,182.9	2,420.2
Pennsylvania House Furniture	1,220.4	659.8
Drexel Heritage Furniture, Inc.	1,192.8	412.0
Century Furniture Co.	1,187.6	1,149.4
Sears Furniture	957.8	1,800.3
Ethan Allen (Inc.)	615.5	525.0

Mattresses	Space Costs ($000)	
	1989	1988
Sealy (Ohio Mattress)	$ 705.2	$ 447.7
Jennifer Convertibles	608.6	206.7
Serta	419.5	127.7
Somma	356.1	367.0
Simmons (Wesray Capital Corp)	343.9	251.0

Source: Publishers Information Bureau:
Leading National Advertisers

PRODUCTION

The index covering the quantity of furniture produced in the U.S., compiled by the Federal Reserve Board, registered an annual average of 129.6 in 1989--or 29.6% above the base period, 1977. Furniture production was up 4.8%, from 1988, and was 53.2% ahead of 1982 production. By comparison, output of all durable consumer goods last year was 3.4% over 1988, and 56.3% greater than the 1982 total.

Industrial Production Indexes, Annual Averages: 1982, 1987, 1988, 1989
(1977 = 100)

	1989	1988	1987	1982
All consumer durable goods	129.6	125.3	120.2	82.9
Household furniture	135.9	129.7	123.0	88.7

Source: Federal Reserve Board (G.12.3)

SHIPMENTS

The International Trade Administration, U.S. Dept. of Commerce, has estimated the value of household furniture and bedding shipped by all producers, regardless of the manufacturers primary-product classification, to be $19.1 billion in 1989, up 2.4% from 1988. 1989 estimates for component categories showed the value of shipments of mattresses and bedsprings rising 4.8%, followed by metal household furniture, up 2.6%; wood furniture, up 2.4%; upholstered, 1.6%.

Adjusting for inflation, the ITA forecast of shipments for 1990 at $17.4 billion for household furniture and bedding represented a decline of 6% from 1989. Declines were projected for all categories except mattresses and bedsprings, expected to remain flat.

Long-term prospects for furniture shipments are expected to increase at a compound annual rate of 2.5% during the next 5 years. Factors contributing to the favorable outlook are the maturing of the baby boomers and greater access to foreign markets.

Estimated Value of Furniture & Bedding Shipments
(Millions of current dollars)

	1989(e)	1988(e)	1987(p)	% Change 1989/88	% Change 1988/87
Value of shipments, total*	$19,063	$18,610	$17,765	2.4%	4.8%
Wood household furniture	7,937	7,748	7,421	2.4	4.4
Upholstered household furniture	5,243	5,161	4,895	1.6	5.4
Metal household furniture	2,009	1,958	1,893	2.6	3.4
Mattresses & bedsprings	3,015	2,876	2,706	4.8	6.3

(Millions of constant 1987 dollars)

	1990(f)	1989(e)	1988(e)	% Change 1990/89	% Change 1989/88
Value of shipments, total*	$17,434	$17,723	$17,905	- 1.6%	- 1.0%
Wood household furniture	7,164	7,310	7,421	- 2.0	- 1.5
Upholstered household furniture	4,796	4,894	4,944	- 2.0	- 1.0
Metal household furniture	1,846	1,874	1,912	- 1.5	- 2.0
Mattresses & bedsprings	2,801	2,801	2,773	-0-	1.0

(f) forecast (e) estimate (p) prelinary

* Value of products classified in the household furniture industry produced by all industries.

Source: U.S. Department of Commerce, International Trade Administration: 1990 U.S. Industrial Outlook

SHIPMENTS

The American Furniture Manufacturers Association, High Point, NC, reported on the percent change in the value of shipments of specified furniture types. The highest gain of 8.0% was in bedroom furniture. Recliners grew 7.2% in 1989, after declining 1.2% in 1988, and occasional goods rose 6.1% reversing a 2.1% decline from 1988.

Percent Change in Value of Furniture Shipments

	1989/1988	1988/1987
Total, specified furniture	1.4%	2.9%
Bedroom	8.0	8.4
Dining	- 0.1	- 5.1
Occasional	6.1	- 2.1
Case goods	1.3	3.8
Recliners	7.2	- 1.2
Upholstered	1.6	1.8

Furniture By Type

The most comprehensive reports on quantity and value of shipments of furniture shipped by all manufacturers are published in the 1987 Census of Manufactures reports. Comparisons with 1982 census reports are shown in the following table.

Quantity & Value of Shipments of Household Furniture, by All Producers, Detailed by Type: 1982, 1987

	Quantity (Thousands of Units)			Value (Millions of $)		
	1987	1982	% Change 1987/82	1987	1982	% Change 1987/82
Wood household furniture, total	na	na	--	$7,454.2	$4,887.4	52.5%
Wood living room, library, family room & den furniture, except sewing machine cabinets	na	na	--	1,499.7	1,221.7	22.8
Cabinets, including record, music etc., excl. sewing machine, radio, phono & TV cabinets	na	na	--	148.9	129.2	15.2
Chairs, except dining room chairs	na	na	--	63.8	62.6	1.9
Rockers	na	na	--	25.2	37.1	-32.1
Tables, except card & phone tables	5,360.9	6,010.4	10.8%	545.4	499.5	9.2
Desks	754.6	na	--	140.7	137.7	2.2
Credenzas, boodcases & bookshelves, except wall units	na	na	--	71.8	71.7	0.1
Wall units, desks, bookcases & storage types	1,130.0	na	--	258.6	123.5	109.4
Other nonupholstered living room furniture	na	na	--	155.4	105.3	47.6
Wood living room, library, family room & den furniture, except sewing machine cabinets, n.s.k.	na	na	--	89.9	55.0	63.5

(continued)

Furniture By Type (continued)

Quantity & Value of Shipments of Household Furniture, by All Producers, Detailed by Type: 1982, 1987

(continued)

	Quantity (Thousands of Units)			Value (Millions of $)		
	1987	1982	% Change 1987/82	1987	1982	% Change 1987/82
Wood dining room & kitchen furniture, except cabinets	na	na	--	$1,477.4	$1,014.7	45.6%
Tables, 30 x 40" dining room	na	na	--	355.7	250.7	41.9
Chairs, dining room	8,250.5	6,249.2	32.0%	546.4	378.8	44.2
Buffets & servers, dining room	443.0	468.1	- 5.4	90.0	107.8	-16.5
China & corner cab., dining room	612.9	669.7	- 8.5	258.7	156.4	65.4
Other dining & kitchen furniture	na	na	--	61.7	83.8	-26.4
Wood dining room & kitchen furn., excl. cabinets, n.s.k.	na	na	--	107.6	37.3	188.5
Wood bedroom furniture	na	na	--	2,271.2	$1,557.0	45.9
Beds, excl. headboards & headboard beds, bunk beds, cribs, cradles, Hollywood beds & youth beds	1,023.9	na	--	214.8	188.1	14.2
Headboards & headboard beds, incl. padded	2,672.2	na	--	273.9	188.2	45.5
Bunk beds, excl. mattresses & detachable springs	na	na	--	46.2	48.7	-5.1
Conventional water beds	na	na	--	52.2	41.3	26.4
Dressers, vanities & dressing tables	2,734.6	1,967.4	39.0	500.1	325.8	53.5
Wardrobes, chifforobes, armoires & wardrobe-type cabinets	389.5	na	--	117.5	76.8	53.0
Chest of drawers	3,042.4	2,099.5	44.9	422.9	257.6	64.2
Cedar chests	268.6	219.2	22.5	37.8	34.9	8.3
Night tables & stands	2,675.7	2,221.7	20.4	224.7	161.2	39.4
Other nonupholstered bedroom furn.	na	na	--	184.5	165.5	11.5
Wood bedroom furniture, n.s.k.	na	na	--	196.5	69.1	183.4
Infants' & children's wood furniture	na	na	--	272.7	158.8	71.7
Cribs, incl. springs sold as part of crib	998.7	na	--	102.2	74.8	36.6
Other infants' & children's furn.	na	na	--	157.5	83.8	87.9
Infants' & children's wood furn., n.s.k.	na	na	--	13.1	0.1	13,000
Wood outdoor furniture, unpainted wood furniture & unassembled & knock-down wood furniture	na	na	--	810.1	249.9	224.2
Porch, lawn, beach & similar wood furniture: chairs, rockers, benches & chaise lounges, incl. steamer & deck chairs	na	na	--	18.2	62.4	-70.8
Other wood porch, lawn, beach & similar furniture	na	na	--	23.0	37.5	-38.7
Unpainted wood furniture (furniture-in-the-white):	na	na	--	61.1	88.4	-30.9

(continued)

Furniture By Type (continued)

Quantity & Value of Shipments of Household Furniture, by All Producers, Detailed by Type: 1982, 1987

(continued)

	Quantity (Thousands of Units)			Value (Millions of $)		
	1987	1982	% Change 1987/82	1987	1982	% Change 1987/82
Unassembled or knock-down furniture, unpainted or finished, sold in kits	na	na	--	$ 670.1	$ 49.2	1,262.0%
Wood outdoor furniture, unpainted wood furniture & unassembled & knock-down wood furniture, n.s.k.	na	na	--	37.8	12.5	202.4
Wood household furniture, n.s.k.	na	na	--	1,123.0	685.4	63.8
Upholstered household furniture, total	na	na	--	4,911.8	3,319.8	48.0
Sofa, davenports (excl. dual-purpose), settees & love seats, excl. chairs sold as part of suites & sectional sofa pieces	8,301.8	6,414.8	29.4%	1,987.6	1,397.7	42.2
Swivel chairs with height adjustment and other chairs, except reclining	na	3,737.2	--	694.7	510.0	36.2
Sectional sofa pieces, incl. pieces seating one person	1,443.5	639.1	125.9	341.3	132.9	156.8
Rockers, incl. swivel rockers	1,512.9	na	--	183.5	137.3	33.6
Reclining chairs, all types	4,107.4	3,037.0	35.2	837.2	524.7	59.6
Other upholstered wood household furniture	na	na	--	95.6	111.1	-14.0
Upholstered household furniture, n.s.k.	na	na	--	772.0	506.1	52.5
Metal household furniture, total	na	na	--	1,954.9	1,517.4	28.8
Metal household dining room and kitchen furniture (except upholstered)	na	na	--	377.9	422.5	-10.6
Tubular metal, incl. chairs whether padded or plain:						
Sets (tables & chairs)	2,792.8	1,387.8	101.2	192.6	266.6	-27.8
Tables (not sold with a set)	189.9	857.2	- 77.8	21.2	33.0	-35.8
Chairs (not sold with a set)	513.2	997.1	- 48.5	29.8	18.4	62.0
Cabinets (base, top, base wall, utility, etc.)	na	744.9	--	43.6	27.2	60.3
Stools, padded & plain	1,026.1	975.5	5.2	23.1	25.6	- 9.8
Other metal dining room & kitchen furniture, incl. hostess carts	na	na	--	20.0	46.5	-57.0
Metal household dining room & kitchen furniture, except upholstered, n.s.k.	na	na	--	47.6	5.2	815.4

(continued)

Furniture By Type (continued)

Quantity & Value of Shipments of Household Furniture, by All Producers,
Detailed by Type: 1982, 1987
(continued)

	Quantity (Thousands of Units)			Value (Millions of $)		
	1987	1982	% Change 1987/82	1987	1982	% Change 1987/82
Metal porch, lawn, outdoor & casual furniture, excl. upholstered	na	na	--	$ 536.4	$ 399.4	34.3%
Tubular aluminum:						
Chairs, rockers, benches, chaise lounges & settees	11,626.8	3,893.3	198.6%	331.8	215.6	53.9
Other tubular aluminum porch, lawn & outdoor furniture	na	na	--	39.1	55.8	-29.9
Cast & wrought iron:						
Chairs, rockers, benches, chaise lounges & settees	1,263.2	819.4	54.2	59.9	46.1	29.9
Other cast & wrought iron porch, lawn & outdoor furniture	na	na	--	10.6	35.1	-69.8
Other metal porch, lawn, outdoor & casual furniture	na	na	--	68.9	27.0	155.2
Metal porch, lawn, outdoor & casual furniture, excl. upholstered, n.s.k.	na	na	--	26.4	19.8	33.3
Other metal household furniture	na	na	--	771.1	539.2	43.0
Folding cots, rollable cots, army cots, & other metal beds	1,256.0	921.6	36.3	69.5	57.5	20.9
Metal bed frames (with or without a headboard)	na	na	--	174.9	93.2	87.7
Upholstered metal household furniture	na	na	--	*	9.9	--
Card tables & chairs	na	na	--	63.9	*	--
Medicine cabinets, incl. wall type & insert type	na	2,371.9	--	77.7	70.9	9.6
Infants' high chairs	1,900.5	1,000.0	90.1	40.7	20.8	95.7
Infants' car seats	4,432.9	1,032.0	329.5	123.5	35.6	246.9
Other infants' & children's metal furniture	na	2,026.2	--	57.9	60.0	- 3.5
Other metal household furniture	na	na	--	185.8	179.6	3.4
Other metal household furniture, n.s.k.	na	na	--	28.7	11.7	145.3
Metal household furniture, n.s.k.	na	na	--	269.5	156.3	72.4

(continued)

Furniture By Type (continued)

Quantity & Value of Shipments of Household Furniture, by All Producers, Detailed by Type: 1982, 1987
(continued)

	Quantity (Thousands of Units)			Value (Millions of $)		
	1987	1982	% Change 1987/82	1987	1982	% Change 1987/82
Wood TV & radio cabinets, total	na	na	--	$ 371.8	$ 302.4	23.0
Console phono cabinets & audio cabinets, incl. radio, phono & hi-fi cabinets	na	na	--	86.5	51.3	68.6
TV cabinets & combinations, TV, hi-fi & radio	2,864.5	3,753.4	- 23.7	226.0	211.9	6.7
Sewing machine cabinets	na	246.2	--	16.4	24.6	-33.3
Wood TV, radio & sewing machine cabinets, n.s.k.	na	na	--	42.8	14.6	193.2
Household furniture, n.e.c., total	na	na	--	426.4	324.5	31.4
Plastics & fibrous glass cabinets incl. radio, TV, phono, hi-fi & combinations	na	na	--	187.0	89.3	109.4
Other plastics & fibrous glass household furniture	na	na	--	72.7	88.2	-17.6
Reed & rattan furniture, incl. willow, wicker & cane	na	na	--	64.5	87.3	-26.1
Other household furniture, except wood, metal, plastics or fibrous glass	na	na	--	7.2	26.9	-73.2
Household furniture, n.e.c., n.s.k.	na	na	--	94.9	32.8	189.3

na not available   n.e.c. not elsewhere classified   n.s.k. not specified by kind

* Included in other metal household furniture total.

Source: U.S. Bureau of the Census: 1987 Census of Manufactures, Industry Series MC87-I-25A

Bedding

Although figures on 1989 bedding factory sales are not yet available, the International Sleep Products Association gave projections, based on the performance of some of the leading producers in the industry. These estimates showed 1989 sales of adult-sized mattresses and foundations (excluding floatation, crib, electric adjustable and dual purpose furniture units) to increase a 4.2% in dollar volume, and decline 0.1% in units compared to 1988.

In 1988, mattress and foundation sales topped $2 billion at wholesale for the first time, as units reached a record 27.44 million pieces. Nearly 16 million mattresses were sold for the year, totalling $1.31 billion. Innerspring mattresses accounted for 14.5 million in unit sales--more than 90% of the mattress total. Foundations (including spring and foam types), reached 11.48 million units, to $837.1 million, according to the Association.

Bedding (continued)

Ohio Mattress, known for its Sealy and Stearns & Forster brands, continued to dominate the nation's bedding business, as it had for much of the last three decades, taking a 28.0% share of the $2.1 billion mattress market in 1988. Simmons took an 11% share of the market, followed by Serta 10%, Spring Air 7.5%, King Coil 3.5%, and other 40%, according to ISPA.

Quantity & Value of Shipments of Bedding By All Producers, Detailed By Type: 1982, 1987

	Quantity (Thousands of Units)			Value (Millions of $)		
	1987	1982	% Change 1987/82	1987	1982	% Change 1987/82
Mattresses, foundations & convertible beds	na	na	--	$2,693.5	$2,001.3	34.6%
Innerspring mattresses, excl. crib size	10,330.1	9,375.8	10.2%	890.6	705.3	26.3
Other mattresses, incl. crib & inserts	na	na	--	145.5	159.1	- 8.5
Crib mattresses, all types	1,102.7	na	--	26.9	29.6	- 9.1
Foam core mattresses, excl. crib	na	na	--	41.8	53.5	-21.9
All other mattresses	na	1,160.3	--	50.3	37.0	35.9
Mattress inserts for dual purpose furniture:						
Innerspring & foam	517.1	na	--	23.9	14.7	62.6
Other mattresses, n.s.k.	na	na	--	2.6	24.3	-89.3
Foundations, excl. innerspring units, hybrid floatation & adjustable ensembles	na	na	--	554.1	461.3	20.1
Spring	6,585.9	na	--	436.3	367.0	18.9
Foam	666.7	618.5	7.8	34.9	30.2	15.6
All other	na	na	--	43.1	15.7	174.5
Foundations, n.s.k.	na	na	--	39.7	48.4	-18.0
Dual purpose sleep furniture	na	na	--	583.6	396.2	47.3
Convertible sofas	na	na	--	543.0	365.9	48.4
All other dual purpose sleep furn.	na	na	--	18.6	30.3	-38.6
Dual purpose sleep furn., n.s.k.	na	na	--	22.0	na	--
Sleep system ensembles, excl. conventional water beds	na	na	--	80.3	23.9	236.0
Hybrid type floatation ensembles	na	na	--	28.7	9.9	189.9
Electric adjustable sleep ensemble	na	na	--	46.6	na	--
Sleep system ensembles, n.s.k.	na	na	--	17.8	3.3	439.4
Mattresses & bedsprings, n.s.k.	na	na	--	454.1	255.6	77.7

na not available n.s.k. not specified by kind

Source: U.S. Bureau of the Census: 1987 Census of Manufactures, Industry Series MC87-1-25A

SHIPMENTS

By Geographic Region

California was the leading state for shipments in five of the thirteen categories of furniture and bedding measured by the Census Bureau in 1987, while North Carolina led in four others. California held a 36.7% share of shipments of sleep system ensembles, 28.7% of metal dining room and kitchen furniture, and 18.3% of metal outdoor and casual furniture. North Carolina was the leader for shipments of most wood furniture categories, holding a 43.6% share of wood dining room and kitchen furniture, 33.2% of wood bedroom furniture, and 28.7% of wood living room furniture.

Compared to the 1982 census, Missouri took the lead in wood outdoor unassembled furniture shipments (25.2%), a position previously held by California in 1982. North Carolina became the leader in mattresses (not innerspring, incl. crib), also replacing California. With a 21.4% share of dual purpose sleep furniture shipments in 1987, Mississippi became the leader, replacing North Carolina.

Value of Product Shipments of Household Furniture
By Leading States: 1987
(Millions of dollars)

	1987	Percent of U.S. Total
Wood living room, library, family room and den furniture		
U.S. total	$1,499.7	100.0%
Leading States:		
North Carolina	430.1	28.7
Virginia	213.2	14.2
California	148.6	9.9
Indiana	84.4	5.6
New York	65.2	4.3
Leading states total	941.5	62.8
Wood dining room and kitchen furniture, excl. cabinets		
U.S. total	1,477.4	100.0
Leading States:		
North Carolina	643.6	43.6
Virginia	163.4	11.1
California	115.6	7.8
New York	64.5	4.4
Massachusetts	59.7	4.0
Leading states total	1,046.8	70.9
Wood bedroom furniture		
U.S. total	2,271.2	100.0
Leading States:		
North Carolina	754.9	33.2
Virginia	415.1	18.3
California	243.6	10.7
Tennessee	121.4	5.3
South Carolina	71.0	3.1
Leading states total	1,606.0	70.7

(continued)

By Geographic Region (continued)

Value of Product Shipments of Household Furniture By Leading States: 1987
(Millions of dollars)

	1987	Percent of U.S. Total
Infants' and children's wood furniture		
U.S. total	$ 272.7	100.0%
Leading states:		
Wisconsin	74.7	27.4
Pennsylvania	6.8	2.5
Leading states total	81.5	29.9
Wood, outdoor, unpainted and unassembled furniture		
U.S. total	810.1	100.0
Leading states:		
Missouri	204.3	25.2
New York	84.8	10.5
California	43.5	5.4
North Carolina	31.0	3.8
Pennsylvania	26.7	3.3
Leading states total	390.3	48.2
Metal household dining room and kitchen furniture, except upholstered		
U.S. total	377.9	100.0
Leading states:		
California	108.5	28.7
Illinois	67.2	17.8
Pennsylvania	23.0	6.1
North Carolina	22.4	5.9
Indiana	17.6	4.7
Leading states total	238.7	63.2
Metal, porch, lawn outdoor and casual furniture		
U.S. total	536.4	100.0
Leading states:		
California	98.4	18.3
Alabama	64.0	11.9
Florida	44.7	8.3
North Carolina	41.3	7.7
Michigan	39.1	7.3
Leading states total	287.5	53.6

(continued)

PRODUCT SHIPMENTS

By Geographic Region (continued)

Value of Product Shipments of Household Furniture
By Leading States 1987
(Millions of dollars)
(continued)

	1987	Percent of U.S. Total
Other metal household furniture		
U.S. total	$ 771.1	100.0%
Leading states:		
Ohio	118.0	15.3
California	115.5	15.0
Illinois	111.6	14.5
Tennessee	105.2	13.6
Pennsylvania	67.1	8.7
Leading states total	517.4	67.1
Innerspring mattresses, incl. crib		
U.S. total	890.6	100.0
Leading states:		
California	143.1	16.1
New Jersey	83.5	9.4
Texas	75.0	8.4
Florida	67.3	7.6
Ohio	51.5	5.8
Leading states total	420.4	47.2
Other mattresses, incl. crib		
U.S. total	145.5	100.0
Leading states:		
North Carolina	16.6	11.4
Illinois	15.4	10.6
California	12.0	8.2
Pennsylvania	10.0	6.9
Tennessee	7.7	5.3
Leading states total	61.7	42.4
Foundations		
U.S. total	554.1	100.0
Leading states:		
California	73.2	13.2
Texas	60.1	10.8
New Jersey	57.3	10.3
Florida	43.0	7.8
Ohio	36.9	6.7
Leading states total	270.5	48.8

(continued)

PRODUCT SHIPMENTS

By Geographic Region (continued)

Value of Product Shipments of Household Furniture
By Leading States: 1987
(Millions of dollars)
(continued)

	1987	Percent of U.S. Total
Dual purpose sleep furniture		
U.S. total	$ 583.6	100.0%
Leading states:		
Mississippi	125.1	21.4
North Carolina	102.5	17.6
California	69.1	11.8
Tennessee	42.9	7.4
Missouri	25.9	4.4
Leading states total	365.5	62.6
Sleep system ensembles, except conventional water beds		
U.S. total	80.3	100.0
Leading states:		
California	29.5	36.7

na not available

Source: U.S. Bureau of the Census:
1987 Census of Manufactures,
Industry Series MC82-I-25A

PRODUCER PRICES

As U.S. furniture producers faced rising costs of raw materials, factory prices rose for most measured furniture and bedding as of December 1989 data compared with December 1988, with an overall increase of 3.5% for all household furniture. Annual averages from 1979 to 1988 showed the trend in price increases for all categories.

Producer Price Indexes for Specified Furniture & Bedding: December 1988, 1989

	Index Base Period	Month of December		% Change Dec. 1989 From	
		1989	1988	Dec. 1988	Nov. 1989
Household furniture	12/84	115.7	111.8	3.5%	0.1%
Wood household furniture (excl. uphol.)	12/79	156.5	149.9	4.5	0.1
Living room furniture	12/79	158.2	152.8	3.5	-0-
Tables	12/79	159.4	154.2	3.4	0.1
Desks	12/79	152.0	149.0	2.0	-0-
Chairs	12/79	163.9	161.2	1.7	-0-
Credenzas & bookcases	12/79	160.9	159.8	0.7	-0-
Other nonupholstered living room furniture	12/79	149.0	144.6	3.0	0.1
Dining room	12/79	169.1	160.7	5.2	0.2
Table	12/79	163.5	155.3	5.3	0.2
Chairs	12/79	177.4	170.3	4.2	0.1
Buffets & Servers	12/79	173.6	159.2	9.0	-0-
China & corner cabinets	12/79	156.4	146.2	7.0	0.6
Other dining room and kitchen furniture	12/79	146.4	143.7	1.9	0.6
Bedroom	12/79	152.8	146.3	4.4	0.3
Beds, except bunk	12/79	151.8	143.6	5.7	0.1
Headboard sets	12/79	152.4	144.2	5.7	0.1
Bunk beds	12/79	153.3	151.0	1.5	-0-
Dressers, vanities, & dressing tables	12/79	154.4	146.8	5.2	0.2
Night tables & stands	12/79	161.1	154.3	4.4	0.5
Chests	12/79	151.9	146.4	3.8	0.3
Wardrobes	12/79	149.5	144.0	3.8	0.4
Other nonupholstered bedroom furniture	12/79	151.5	147.2	2.9	0.3
Upholstered wood household furniture	6/82	120.7	117.6	2.5	0.2
Sofas, davenports, loveseats	6/82	122.5	119.8	2.3	-0-
Chairs, (excl. recliners & rocking)	6/82	120.8	117.2	3.1	0.1
Rockers	6/82	99.3	99.8	- 0.5	-0-
Recliners	6/82	123.4	120.6	2.3	0.2
Metal household furniture	6/84	112.2	108.1	3.9	0.2
Dining & breakfast furniture	6/84	126.0	118.4	6.4	0.2
Kitchen furniture	6/84	92.3	99.6	- 7.3	0.7
Porch, lawn & outdoor	6/84	112.6	108.6	3.7	0.5
Mattresses & bedsprings	6/83	119.9	115.9	3.5	- 0.2
Innerspring mattresses	6/83	121.1	117.2	3.3	- 0.1
Foundations	6/83	116.5	112.7	3.4	- 0.6

Source: U.S. Bureau of Labor Statistics,
April 1989 and December 1989

PRODUCER PRICES

Annual Producer Price Indexes for Household Furniture: 1979-1988

	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
Wood household furn., except upholstered (Base=12/79)	94.9	105.3	113.1	118.8	123.1	129.3	133.3	136.2	140.7	147.2
Upholstered wood hshld. furn. (Base=6/82)	82.3	98.7	95.4	99.9	102.3	104.2	107.9	109.3	111.6	116.2
Metal hshld. furn. (Base=6/84)	92.9	96.0	98.9	100.0	100.0	100.0	100.5	101.1	103.5	106.4
Mattresses, bedsprings & sleep furniture (Base=6/83)	80.7	87.2	93.6	100.2	99.1	103.0	105.7	108.4	109.7	113.8
Wood TV & radio cabinets (Base=12/85)	nr	nr	nr	nr	nr	nr	nr	100.8	101.1	101.3
Household furn. n.e.c. (Base=12/85)	nr	nr	nr	nr	nr	nr	nr	98.9	99.8	101.8

nr not reported
n.e.c. not elsewhere classified

Source: U.S. Dept. of Labor:
Handbook of Labor Statistics
(August 1989)

FOREIGN TRADE

U.S. furniture imports fell roughly 5% in value in 1989; reflecting exchange rates which made imports expensive, and smaller consumer demand in the U.S, according to the International Trade Administration. This represented the first decline since 1975, when the U.S. market was experiencing a severe recession. Due to the sluggishness in domestic demand, imports of furniture are expected to remain flat or decline again in 1990, even though the effects of the stronger dollar are expected to slow price increases.

Exports, however, have been the bright spot for U.S. producers, rising an estimated 32% based on 7 months of data in 1989. The average annual growth rate reached about 40% between 1986 through 1989, spurred by the decline of the U.S. dollar.

Although the dollar rebounded somewhat in 1989, it is not expected to return to the high levels of the mid-1980s, allowing exports to remain competitive in foreign markets. As a result, furniture exports may slow somewhat in 1990, but will still likely show double-digit gains.

FOREIGN TRADE

The potential exists for further significant expansion, as exports reached just 2% of shipments at $0.5 billion in 1989, while overall exports of consumer durables represent about 10% of shipments. The recent increase can be partly attributed to a greater interest by U.S. firms in foreign markets, a recent consolidation in the industry resulting in companies that are more globally oriented, with broader product lines, and larger volumes capable of serving international markets.

The largest export market for U.S. furniture is Canada, accounting for 28% of total furniture exports in 1989, as U.S. exporters benefited from implementation of the U.S.-Canada Free Trade Agreement. Exporters to Mexico, the second largest market in 1989, have also made gains from recent liberalization measures on a wide range of products. Exports to this country nearly tripled in 1988 and almost doubled again in 1989. Japan has become the third largest export market for U.S. furniture, and other newly industrialized countries such as Taiwan and South Korea have recently liberalized their tariffs, resulting in increased exports to those markets.

Foreign Trade in the Furniture & Bedding Industry: 1987-1989

				% Change	
	1989(e)	1988(e)	1987*	1989/88	1988/87
Value of imports	$2,765	$2,910	$2,889	- 5.0%	0.7%
Import/new supply ratio**	0.127	0.135	0.140	- 5.9	- 3.6
Value of exports	414	313	226	32.3	38.5
Exports/shipments ratio	0.022	0.017	0.013	29.4	30.8

(e) estimate
* Data is adjusted to conform to the 1987 SIC system.
** New supply is imports plus corresponding product shipments.

Source: U.S. Dept. of Commerce,
International Trade Aministration:
1990 U.S. Industrial Outlook

AT THE RETAIL LEVEL

THE POTENTIAL MARKET

Households/Homes

Recent trends in 1989 indicate increases in new family households, married couple households, and in persons living alone compared to 1988, according to the Current Population Survey (CPS). There were approximately 92.8 million households in the U.S. in March 1989, a net increase of 1.7 million over the previous year, and a rise of 12.1 million households over the 1980 total. There has been a slowdown in this growth, however, as households grew an average of 1.5% annually during the 9 year period since 1980, compared with average annual growth of 2.4% for the 1970-1980 decade.

The 65.8 million family households in 1989 accounted for about 71% of all households, down from 74% in 1980, and 81% in 1970. The number of married couple families made up 56% of all households in 1989, compared to 71% in 1970. Share of non-family households up from 26% in 1980 and 19% in 1970. 84% in this category consisted of persons living alone.

The number of persons per household reached a new low of 2.62 persons in March 1989, compared to 2.64 persons in 1988, 2.76 persons in 1980, and 3.14 persons in 1970.

Number of U.S. Household By Type: 1986-1989
(In thousands as of March of each year)

	1989	1988	1987	1986	% Change 1989/88	% Change 1989/86
Households, total	92,830	91,123	84,479	88,458	1.9%	4.9%
Family households, total	65,837	65,204	64,491	63,558	1.0	3.6
Married couple family	52,100	51,675	51,537	50,933	0.8	2.3
Nonfamily households, total	26,994	25,919	24,988	24,900	4.1	8.4
Living Alone	22,708	21,889	21,128	21,178	3.7	7.2
Average household size (number)	2.62	2.64	2.66	2.67	- 0.8	- 1.9

Source: U.S. Bureau of the Census: Households, Families, Marital Status and Living Arrangements P-20-No. 441

(Detailed information on population, households and families, including living arrangements, is covered in the CONSUMER MARKET DEVELOPMENTS Fact File, 1989.)

Households/Homes (continued)

Housing starts and sales trends are indicators, to some extent, of forthcoming modes, in consumer spending for furniture. Sluggish furniture sales may therefore be tied to the fall in private housing starts, which in 1989 declined for the 3rd consecutive year. High interest mortgage rates, averaging an estimated 10.3% and higher prices have contributed to the 3.8% fall in sales of new and existing homes in 1989 versus 1988, and a drop of 13.3% from 1986.

The increased cost of buying a home was reflected in the National Association of Realtors' Affordability Index, which declined to its lowest level since 1985. Of total private homes sold in 1989, 13.4% were in the Northeast, 15.7% in the Midwest, 40.0% in the South, and 30.9% in the West.

Housing structures completed in 1989 totaled 1,374,400--72.9% (or 1,001,700) of which were one-family houses. Structures with 2 to 4 housing units accounted for 4.0%, 5 or more units, 23.1%.

Trends in New Private Housing Starts & Homes Sold: 1982-1989
(Thousands of units or homes)

		In structures with				
Year	Total	1-unit	2-4 units	5 or more units	Units Completed	New Private Homes Sold
1982	1,062.2	662.6	80.0	319.6	1,055.5	412
1983	1,703.0	1,067.6	113.5	522.0	1,390.3	623
1984	1,749.5	1,084.2	121.4	544.0	1,652.2	639
1985	1,741.8	1,072.4	93.4	576.1	1,703.3	688
1986	1,805.4	1,179.4	84.0	542.0	1,756.4	750
1987(r)	1,620.5	1,146.4	65.3	408.7	1,688.8	671
1988	1,488.1	1,081.3	58.8	348.0	1,529.8	676
1989(p)	1,374.4	1,001.7	55.5	317.3	1,421.6	650

(p) preliminary
(r) revised

Source: U.S. Department of Commerce and
U.S. Department of Housing and Urban Development

Completions of new one-family homes in 1989 fell 7.1% over the 1988 total, continuing a downward trend since 1987. Completions of multi-family holdings, which totaled 397,000 in 1989, represented a fall of 10.8% over the previous year, and a 27.3% drop from 1987. A gain of 6.2%, however, was reached over 1982.

Most (84.5%) of the new one-family homes completed in 1989 had 3 or more bedrooms. This compares to 75.9% in 1982. There were 397,000 units in multi-family buildings completed for the year, and of these, over half (52.1%) had 2 bedrooms, 34.8% had 1 bedroom.

The average new single family house was 2,035 square feet, increasing 2.0% from 1988, and 19.0% from 1982. The average size of apartments have also been on the rise at 995 square feet in 1989, versus 990 square feet in 1988.

Households/Homes (continued)

Selected Characteristics of New One-Family Houses And Of New Units in Multifamily Buildings Completed in: 1982, 1987, 1988, 1989

(In thousands of units)

	1989(p)	1988	1987	1982
One family houses:				
Total completed	1,025	1,085	1,123	632
Bedrooms per units:				
2 or less	159	190	212	152
3 bedrooms	581	617	653	367
4 bedrooms or more	285	278	258	113
Average size, entire house (sq. ft.)	2,035	1,995	1,905	1,710
Median size, entire house (sq. ft.)	1,805	1,810	1,755	1,520
Units in multifamily buildings:				
Total completed	397	445	546	374
Bedrooms per unit:				
Efficiencies	13	10	16	6
1 bedroom	138	151	193	136
2 bedrooms	207	247	296	195
3 bedrooms or more	39	37	41	37
Average size (entire unit) (sq. ft.)	995	990	980	990
Median size (sq. ft.)	940	940	920	925

(p) preliminary

Source: U.S. Department of Commerce and
U.S. Department of Housing & Urban Development

The median sales price of a house for 1989 rose 6.7% to $120,000, from $112,500 in 1988, according to the Commerce Dept. This price increase attributed to the decline in sales of new single-family homes.

CONSUMER EXPENDITURES

The Bureau of Economic Analysis, Department of Commerce, compiles information on personal consumption expenditures for broad classifications of goods and services, including funiture and bedding. The figures are part of the National Income and Product Account (Gross National Product), and cover the total value at retail of goods reaching the consumer through any channel. Since purchases made by consumers directly from manufacturers and wholesalers and other non-retailers are included, the value of personal consumption expenditures exceeds the value of sales through retail outlets.

Personal Consumption Expenditures For Furniture & Bedding: 1987-1989

	1989	1988	1987	% Change 1989/88	% Change 1988/87
	Millions of Current Dollars				
Furniture & bedding, total	$34,790	$33,521	$31,673	3.8%	5.8%
	Millions of Constant (1982) Dollars				
Furniture & bedding, total	$29,786	$28,860	$28,162	3.2	2.5

Source: U.S. Department of Commerce,
Bureau of Economic Analysis

Not included in Personal Consumption Expenditures, but separately reported by the BEA, is the value of landlord expenditures for furniture (for use in rental units).

Landlord Household Furniture Expenditures: 1987-1989

	1989	1988	1987	% Change 1989/88	% Change 1988/87
Million of current dollars	$ 185	$ 179	$ 170	3.3%	5.3%
Millions of constant (1982) dollars	157	155	150	2.6	2.0

Total Expenditures For Furniture & Bedding: 1987-1989

(Millions of current dollars)

	1989	1988	1987	% Change 1989/88	% Change 1988/87
Household furniture & bedding, total	$34,975	$33,700	$31,843	3.8%	5.8%
Personal consumption expend.	34,790	33,521	31,673	3.8	5.8
Landlord expenditures	185	179	170	3.3	5.3

Source: U.S. Department of Commerce,
Bureau of Economic Analysis

Household Expenditures

A pattern in household spending is developed by the U.S. Bureau of Labor Statistics through a quarterly survey among a representative sample of U.S. households (consumer units). Reports are issued covering the projected number of consumer households making a specified purchase on a quarterly basis, and the projected average annual expenditure for all U.S. consumer units, including in the base both purchasers and non-purchasers.

Household Expenditures (continued)

The reports cover the pattern in spending by age of reference person (household head), by household income group, by region, size of household, etc. The following report for 1987 covered a projected total of 94.2 million consumer units.

Based on average spending for furniture and bedding per U.S. household, the following sales by type of furniture and bedding are estimated for 1987.

Household Expenditures For Furniture & Bedding: 1987
(Millions of dollars)

	Expenditures	Total
Furniture & bedding, total	$ 29,687.4	100.0%
Living room chairs	3,247.2	10.9
Living room tables	1,734.2	5.8
Sofas	6,421.0	21.6
Occasional furniture	4,056.9	13.7
Bedroom furniture	4,159.5	14.0
Mattresses & springs	3,907.2	13.2
Infants' furniture	654.3	2.2
Outdoor furniture	1,143.9	3.9
Kitchen/dining room furniture	4,362.9	14.7

Source: Based on U.S. Bureau of Labor Statistics: Consumer Expenditure Survey: 1987

Total expenditures for furniture are highest in households with heads the 35 to 45 and 45 to 54 age groups, which tend to be in their peak earning years, and have the highest percentage of discretionary income relative to total income, according to the U.S. Industrial Outlook. The Census Bureau projects this segment to grow at an annual rate of 3.1% during the next five years, increasing at a much faster rate than the total population growth rate of 0.8% for the same period. About 80% of the increase in U.S. incomes in the 1990s will go to households headed by 35 to 54 year olds, according to the Institute For The Future. As these baby boomers reach their peak earning years and have more discretionary income, furniture shipments are likely to benefit.

The average annual spending per household on furniture and bedding for all households (including non-purchases) was reported at $310.68; for households in the 35 to 44 age group, this total was $464.30. The higher the income level of the household, the more dollars spent on furniture, reaching an average of $958.51 for households with incomes of $50,000 and over for 1987. The average spending for furniture was highest in the West, followed by the Northeast.

These averages, it should be noted, are averages for consumer units in total within the classification under study, regardless of whether or not a particular unit incurred an expense for furniture or bedding. In the 1987 reporting period, a quanterly average of 14.78% of the households (consumer units) reported making such a purchase.

Household Expenditures (continued)

Urban Household Expenditures For Furniture
Average Spending By Age of Householder: 1987

	Total	Under 25	25-34	35-44	45-54	55-64	65-74	75 & Over
Number of consumer units (thous.)*	94,150	7,811	21,345	18,747	13,395	13,080	11,578	8,194
Percent of Total	100.0%	8.3	22.7	19.9	14.2	13.9	12.3	8.7
Avg. age of householder (years)	47.0	21.6	29.6	39.1	49.2	59.6	69.1	80.2
Avg. size of household (persons)	2.6	1.8	2.8	3.4	2.9	2.3	1.9	1.5
Avg. household income after taxes	$24,871	11,693	25,322	32,666	33,064	28,137	17,637	12,280
Avg. expenditure per hshld.:								
All homefurnishings & equip.	$941.98	497.49	909.46	1298.01	1276.51	1023.98	700.01	299.95
% reporting per qrtr.**	62.86%	55.28	66.89	70.32	67.78	63.17	57.85	41.06
Furniture	315.31	173.95	332.07	464.30	397.69	335.60	200.88	60.16
% reporting per qrtr.**	14.43%	14.35	17.18	17.71	16.18	13.55	9.90	4.84

By Household Income Before Taxes

	Less Than $5,000	$5,000 to 9,999	$10,000 to 14,999	$15,000 to 19,999	$20,000 to 29,999	$30,000 to 39,000	$40,000 to 49,999	$50,000 and Over
Number of consumer units (thous.)*	7,497	12,490	10,410	8,386	14,175	10,439	7,150	10,524
Percent of Total	9.2%	15.4	12.8	10.3	17.5	12.9	8.8	13.0
Avg. age of householder (years)	46.8	55.5	50.2	46.6	43.7	42.9	42.5	45.8
Avg. size of household (persons)	1.7	1.9	2.3	2.4	2.7	2.9	3.2	3.2
Avg. household income after taxes	$ 2,230	7,158	11,778	16,256	22,628	31,391	40,200	67,977
Avg. expenditure per hshld.								
All homefurnishings & equip.	$253.50	319.48	449.77	613.00	803.12	1,139.13	1,351.57	2,579.76
% reporting, per qrtr.**	40.60%	44.26	57.53	64.07	68.03	75.99	81.66	83.91
Furniture	$ 69.16	94.60	128.04	181.84	260.17	379.04	405.25	958.51
% reporting, per qrtr.**	5.85%	8.37	10.49	13.36	15.28	19.52	20.61	24.82

(continued)

CONSUMER EXPENDITURES FOR FURNITURE

Household Expenditures (continued)

By Region

	Total	Northeast	Midwest	South	West
Number of consumer units (thous.)*	94,150	19,731	23,966	31,303	19,151
Percent of Total	100.0%	21.0	25.5	33.2	20.3
Avg. age of householder (years)	47.0	49.1	46.9	46.6	45.8
Avg. size of household (persons)	2.6	2.5	2.5	2.6	2.6
Avg. household income after taxes	$24,871	25,530	23,497	23,960	$27,351
Avg. expenditure per household:					
All homefurnishings & equipment	941.98	933.46	918.31	856.16	1,120.66
% reporting, per qrtr.**	62.86%	59.63	64.84	60.96	66.82
Furniture	315.31	330.63	276.12	285.87	396.71
% reporting, per qrtr.**	14.43%	13.06	14.70	13.70	16.72

* A consumer unit is roughly equivalent to "households" although household members with their own income are separately counted.

**Equals the quarterly average percent of consumer units that reported spending for specified products.

Source: U.S. Bureau of Labor Statistics:
Consumer Expenditure Survey-1987
(March 1989)

RETAIL SALES BY STORE TYPE

Furniture Stores

Estimates by the U.S. Dept. of Commerce showed total 1989 sales for all furniture stores at $28.3 billion, growing 1.4% over 1988 sales. In comparing 1982 census data with 1987, furniture sales grew 50.9% in current dollars, as the number of establishments increased 3.5%.

Where furniture stores and department stores once commanded virtually all the furniture retail dollars, catalogs, home centers, mass merchants, national chains, specialty stores and warehouse clubs are rapidly emerging as mighty distribution channels. Mass merchants and specialists will increase market share in the home furnishings market in the 1990s, at the expense of furniture and department stores, according to industry manufacturers and retailers.

Other factors impacting furniture retailing include consolidations, leveraged buy-outs, and delivery and service problems, as well as the growing popularity of RTA furniture, which has encouraged national retailers such as Levitz and Sears to inaugurate new home furnishings programs that feature RTA. The convenience of shopping by catalog has played a key role in increasing furniture sales via this retail channel.

Furniture Stores (continued)

Furniture Stores: Number of Stores & Total Sales: 1982, 1987, 1988, 1989

	1989(p)	1988(p)	1987	1982	% Change 1987/82
Furniture stores					
No. of establishments	na	na	32,763	31,647	3.5%
Sales (mil. $)	$27,239	27,141	26,740	17,658	51.4

(p) preliminary
na not available

Source: U.S. Bureau of the Census:
1987 Census of Retail Trade, RC87-A-52
and Monthly Retail Sales & Inventories BR-89-R

Seasonal Pattern in Furniture Store Sales
Percent of Year's Sales By Months: 1986-1989

Year	Total	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1989	100.0%	8.1%	7.5%	8.3%	8.2%	8.4%	8.4%	8.1%	8.6%	8.2%	8.2%	9.0%	9.2%
1988	100.0	7.3	7.5	8.5	8.2	8.3	8.5	8.1	8.2	8.1	8.4	9.0	9.9
1987	100.0	7.6	7.4	8.5	8.1	8.5	8.4	8.4	8.5	8.3	8.5	8.6	9.2
1986	100.0	7.4	6.9	7.8	7.6	8.4	8.2	8.4	8.9	8.7	8.8	9.1	10.0

(p) preliminary

Source: U.S. Bureau of the Census:
Revised Monthly Retail Sales & Inventories BR-89-R

Total Employment in Furniture Stores: 1985-1988
(Numbers in thousands)

1988	1987	1986	1985
284.0	276.0	266.0	263.0

Source: U.S. Bureau of Labor Statistics:
Supplement to Employment & Earnings

Furniture Stores (continued)

Furniture Stores By Employee Size: 1986

	Stores		Employees		Annual Payroll	
	No.	%	No.	%	Thous. $	%
Total	29,740	100.0%	230,491	100.0%	$3,528,649	100.0%
Employment size:						
1 to 4	14,979	50.4	30,475	13.2	419,410	11.9
5 to 9	7,895	26.5	52,357	22.7	722,196	20.5
10 to 19	4,715	15.9	62,623	27.2	970,747	27.5
20 to 49	1,757	5.9	49,393	21.4	813,379	23.1
50 to 99	293	1.0	20,096	8.7	339,347	9.6
100 to 249	93	0.3	13,019	5.6	223,856	6.3
250 or more	8	.02	2,528	1.1	39,721	1.1

Source: U.S. Bureau of the Census:
1986 County Business Patterns

Department Stores

Information on typical merchandising and operating results (medians) for department stores by department are compiled annually by the National Retail Merchants Association.

Selected 1988 Merchandising & Operating Results in Furniture & Bedding Departments in Department Stores in Specified Sales Volume Groups
(Median Results)

	Stores with Sales		
	All Dept. Stores	Under $50 Mil.	$100-$300 Mil.
Total number reporting	37	9	9
Net sales, % change from last year	1.3%	-10.5%	2.6%
Sales, % of total store	2.9	3.0	3.1
Cumulative markon, %	46.5	43.1	45.0
Gross margin, % of net sales	37.6	37.1	34.7
Markdowns, % of net sales	15.6	22.3	16.2
$ sales per sq. ft. of selling space	$ 69.0	$ 60.0	na
Number of stock turns (times)	1.9	1.6	1.9
Advertising, % of net sales	3.1%	2.9%	na
Selling salaries, % of net sales	6.5	6.4	na

na not available

Source: National Retail Merchants Association:
Merchandising & Operating Results of 1988
(1989 Edition)

RETAIL STORES

Furniture & Lighting

The top 25 retailers of furniture and lighting, ranked by sales volume, obtained through extensive interviews with suppliers, retailers, and industry experts, was compiled by HFD (October 23, 1989). Furniture stores and department stores once commanded virtually all of the lighting and furniture retail dollars, however, catalogs, home centers, mass merchants, national chains, specialty stores and warehouse clubs are rapidly emerging as mighty distribution channels.

Levitz, the furniture store giant, topped the list with 1988 sales volume of $921 million. Despite a management buyout in June, Ethan Allen still came in third place with $620 million in sales. The other three spots in the top five belong to national chains, indicating that furniture stores are losing significant market share.

Overall, furniture suppliers and retailers both complained of the continuing soft retail climate, as sluggish sales in categories like metal beds and mattresses, contributed to the slow growth.

The Top 25 Retailers of Furniture & Lighting
(Sales in millions of dollars)

		1988	1987	% Change 1988/87
1	Levitz (F) Boca Raton, FL	$921	$879.1	4.8%
2	Sears (NC) Chicago, IL	812*	787.5	3.1
3	Ethan Allen (F) Danbury, CT	620	na	--
4	Montgomery Ward (NC) Chicago, IL	610	343.3	77.7
5	JC Penney (NC) Dallas, TX	600*	410.0*	46.3
6	Spiegel (C) Oakbrook, IL	300*	na	--
7	Heilig-Meyers (F) Richmond, VA	295	254.0	16.1
8	Seaman's (F) Uniondale, NY	268	254.0	5.5
9	W.S. Badcock (F) Mulberry, FL	261	247.2	5.6
10	Rhodes (F) Atlanta, GA	250	240.0*	4.2
11	Haverty Furniture Co. (F) Atlanta, GA	230	217.5	5.7
12	Wickes Furniture (F) Wheeling, IL	220	181.0*	21.5
13	Breuners (F) San Ramon, CA	200*	198.0*	1.0
14	K mart (MM) Troy, MI	192*	na	--
15	Value City (F) Columbus, OH	185*	150.0*	23.3
16	Nebraska Furniture Mart (F) Omaha, NE	180*	145.0*	24.1
17	R.H. Macy (D) New York, NY	165*	161.7*	2.0
18	Reliable Stores (F) Columbia, MD	160*	158.0*	1.3
19	Home Depot (HC) Atlanta, GA	152*	na	--
20	Wal-Mart (MM) Bentonville, AR	152*	na	--
21	Art Van (F) Warren, MI	130*	100.0*	30.0
22	Pier One (S) Fort Worth, TX	125	117.1	6.7
23	Target (MM) Minneapolis, MN	116*	na	--
24	Finger's (F) Houston, TX	112*	112.0*	-0-
25	RB Furniture (F) Los Angeles, CA	109	103.6	5.2

(C) Catalog (D) Department Store (F) Furniture Store (HC) Home Center
(MM) Mass Merchant (NC) National Chain (S) Specialty Store
* Figures are estimates based on a poll of key suppliers and retailers.

Source: HFD (October 23, 1989)

RETAIL STORES

Ready-to-Assemble

In a survey by HFD (July 10, 1989), leading distribution channels for ready-to-assemble furniture, ranked by sales volume, was compiled through extensive interviews with industry sources, vendors, financial reports and retail analysts. Results showed that K mart was the leader, with estimated 1988 sales of $110 million, followed by Wal-Mart, with sales of $95 million. Demand for RTA furniture has been on the increase, as total retail sales of this product reached $2 billion in 1988.

Discounters were the largest single channel of distribution of RTA, a position that they are expected to maintain into and through the 1990s. Consolidations in the industry, however, are altering the lineup of mass merchants discounters that retail RTA furniture.

The Top 25 RTA Retailers

		1988 Sales* (In mil. $)
1	K mart, Troy, MI	$110*
2	Wal-Mart, Bentonville, AR	95
3	IKEA, Plymouth Meeting, PA	90
4	Target, Minneapolis, MN	85
5	Ames/Zayre, Rocky Hill, CT	80
6	Sears, Chicago, IL	80
7	Bombay Co., Fort Worth, TX	60
8	Service Merchandise, Brentwood, TN	45
9	Best, Richmond, VA	40
10	Venture, O'Fallon, MO	35
11	Bradlees, Braintree, MA	34
12	Conran's, New York, NY	32
13	Caldor, Norwalk, CT	30
14	STOR, City of Industry, CA	30
15	Home Depot, Atlanta, GA	27
16	JC Penney, Dallas, TX	27
17	Lowes, North Wilkesboro, NC	26
18	Builders Square, San Antonio, TX	25
19	Levitz, Boca Raton, FL	23
20	Pier One, Fort Worth, TX	21
21	Meijer, Grand Rapids, MI	20
22	Price Co., San Diego, CA	19
23	Lechmere, Woburn, MA	19
24	Jamesway, Secaucus, NJ	18
25	Montgomery Ward, Chicago, IL	17

Total 1988 RTA sales volume: $2 billion
Total sales volume of the top 25: $1.1 billion

* Figures are estimates based on wholesale RTA shipments and a poll of key retail organizations.

Source: HFD (July 10, 1989)

Ready to Assemble (continued)

In a survey by HFD, the top retailers of RTA (ready-to-assemble) furniture, ranked by 1988 retail sales are identified. K mart topped the list with estimated sales of $110 million, followed by Wal-Mart with $95 million in sales, and Target with $85 million. The three will likely be the top retailers of RTA furniture in 1990, according to predictions by industry sources.

Discounters are faced with competition in selling RTA furniture from specialists such as office products dealers, catalog-showrooms and home centers. The debt load incurred to finance buyouts and acquisitions in discount retailers during the past year is another factor causing concern in the industry. Despite such concern, discount mass merchants are expected to maintain their position as the core channel of distribution for ready-to-assemble furniture in 1990.

The Top 10 RTA Discount Retailers

Rank	Store	1988 Sales* (In mil. $)
1	K mart, Troy, MI	$ 110
2	Wal-Mart, Bentonville, AR	95
3	Target, Minneapolis, MN	85
4	Ames/Zayre, Rocky Hill, CT	80
5	Service Merchandise, Brentwood, TN	45
6	Best, Richmond, VA	40
7	Venture, O'Fallon, MO	35
8	Bradlees, Braintree, MA	34
9	Caldor, Norwalk, CT	30
10	Home Depot, Atlanta, GA	27

* Figures are based on wholesale RTA shipments and a poll of key retail organizations.

Source: HFD (January 29, 1990)

High-End Casual Furniture

Despite a general trend in retailing toward consolidation and mega-stores, most upper-end casual furniture is still sold through a network of mom-and-pop specialty shops and small regional chains. Sales estimates of the top 20 high-end casual furniture retailers, compiled by HFD were obtained from retailers, vendors, trade organizations and industry observers, as many of these stores are privately owned. Most retailers on the list have been in business for at least ten years, and have grown at a slow pace.

High-End Casual Furniture (continued)

The Top 20 High-End Casual Furniture Retailers

		1987 Sales(e) (In Mil.)	Total Stores Selling Casual Furniture	Average Price For A Five-Piece Set
1	Fortunoff, Westbury, NY	$24.5	3	na
2	Flower City, MBCA, Minneapolis, MN	11.0	11	$799
3	Deck & Den, Farmingdale, NY	8.5	7	799
4	Treasure Island, Mahwah, NJ	8.2	9	799
5	FIM, Broadview, IL	8.0	6	750
6	Leisure Unlimited, Milford, CT	7.5	5	850
7	Harrow's, Melville, NY	7.5	7	850
8	Rand Pool & Patio, Des Plaines, IL	7.5	9	650
9	Bloomingdale's, New York, NY	7.0	13	1,300
10	Paddock Pools, Scottsdale, AZ	6.5	5	700
11	Casablanca Furniture & Patio Shoppe, Lawrenceville, NJ	6.5	5	900
12	Scibetta Brothers, Elmwood Park, NJ	5.7	5	899
13	Chair King, Houston, TX	5.7	7	500
14	Woodware & Lothrop/Wanamaker's, Washington, DC	5.5	29	na
15	Hess's, Allentown, PA	5.5	48	599
16	Patio World, San Rafael, CA	5.0	5	599
17	Brighton's, Laurel, MD	5.0	7	850
18	Porch & Patio, Rockville Center, NY	4.3	4	1,000
19	Pool, Patio N' Things, Campbell, CA	3.8	8	600
20	Eber's, South Plainfield, NJ	3.0	3	700

(e) estimate
na not available

Source: HFD (September 19, 1988)

Bedding

Department store and national chains continued to lead the way as prime distribution channels for bedding in 1988, according to HFD (October 16, 1989). Competition from specialty sleep stores and factory-direct retailers are posing a challenge however, and accounted for 14% and 6% respectively, of sales of the top 25. Another growing distribution channel that doesn't appear on the list is free-standing bedding shops spun off big name retailers like Sears, and manufacturers like Simmons, with its Beauty Rest Sleep Shops.

Overall sales for the top bedding retailers totalled $1.2 billion, accounting for 29% of the $4.2 billion industry. Sears lead the way, topping sales of the number two competitor, Montgomery Ward, by $50 million.

Bedding (continued)

The Top 25 Bedding Retailers

		1988 Sales* (In Mil.)
1	Sears, Chicago, IL	$225
2	Montgomery Ward's, Chicago, IL	175
3	Woodward & Lothrop, Washington, DC	105
4	Levitz, Boca Raton, FL	93
5	Ortho Mattress, Compton, CA	60
6	Macy's, New York, NY	40
7	Kleinsleep, Yonkers, NY	38
8	Sleepy's, New Hyde Park, NY	38
9	Macy's/Bullock's South, Atlanta, GA	35
10	Hillside Bedding, Mount Vernon, NY	30
11	Slumberland, St. Paul, MN	30
12	Macy's California, San Francisco, CA	25
13	Sun Valley Waterbeds, Phoenix, AZ	25
14	The Broadway, Los Angeles, CA	20
15	Rich's, Atlanta, GA	20
16	Art Van, Detroit, MI	18
17	Bloomingdale's, New York, NY	15
18	Burdine's, Miami, FL	13
19	Carson Pirie Scott, Milwaukee, WI	12
20	Nebraska Furniture Mart, Omaha, NE	12
21	White's Fine Furniture, Columbus, OH	12
22	Abraham & Straus, Brooklyn, NY	10
23	Marshall Field's, Chicago, IL	10
24	Matress Discounters, Alexandria, VA	10
25	W. Simmons Co., Cerritos, CA	9.8

* Figures are estimates based on a poll of key suppliers and retailers.

Total 1988 bedding sales volume:	$4.2 billion
Total sales of the top 25:	$1.2 billion
Percentage of total industry volume:	29%

Source: HFD (October 16, 1989)

RETAIL SALES: REGIONS/METROPOLITAN AREA

The regional pattern in furniture and bedding sales, based on estimates compiled by Sales & Marketing Management magazine shows the South Atlantic region accounting for 20.4% of sales in 1988, followed by the Middle Atlantic region with a 17.3% share.

On a metropolitan area basis, New York is credited with the largest share (4.7%) of 1988 sales, followed by Los Angeles/Long Beach.

Estimated Furniture & Bedding Sales By Region: 1988
(Mil. of dollars)

	Sales	% of U.S. Total
Total U.S.	$35,559.0	100.0%
New England	2,070.5	5.8
Middle Atlantic	6,156.9	17.3
East North Central	5,619.8	15.8
West North Central	2,041.2	5.7
South Atlantic	7,243.3	20.4
East South Central	1,923.8	5.4
West South Central	3,330.6	9.4
Mountain	1,568.9	4.4
Pacific	5,604.0	15.8

The Top 10 Metropolitan Markets Based on Sales of Furniture & Bedding: 1988

Rank	Metropolitan Market	Furniture & Bedding Sales (In Mil.)	% of U.S. Total
1	New York, NY	$ 1,658.9	4.7%
2	Los Angeles/Long Beach, CA	1,559.1	4.4
3	Chicago, IL	1,147.1	3.2
4	Washington, DC	799.5	2.2
5	Boston/Lawrence/Salem Lowell/Brockton, MA	730.2	2.1
6	Philadelphia, PA	728.6	2.0
7	Detroit, MI	683.9	1.9
8	Nassau/Suffolk, NY	651.0	1.8
9	Atlanta, GA	513.7	1.4
10	Houston, TX	505.5	1.4
Sub Total, Top 10 Metro Area		8,977.5	25.1
U.S. Total		35,559.0	100.0%

Source: Sales & Marketing Management: Survey of Buying Power (1989 Edition)

CONSUMER PRICE INDEX

While the overall rate of change in retail prices for furniture and bedding in the last six months of 1989 registered a slight decline (-0.4%), prices of bedroom furniture averaged 5.2% higher than in the last half of 1988.

Consumer Price Indexes for Specified Furniture & Bedding Items: 1988-1989
(1982-84 = 100)

	Dec. 1989*	% Change For 6 Months Ending Dec.'89**	Annual Average 1988	Annual Average % Change 1988/87
Furniture & bedding	113.3	- 0.4%	113.2	3.2%
Bedroom furniture	118.8	5.2	117.7	3.2
Sofas	114.8	- 2.7	114.3	3.1
Living room chairs & tables	112.5	0.5	111.0	3.5
Other furniture	108.4	- 1.1	109.1	3.1

* Seasonally adjusted except for bedroom furniture, living room chairs and tables.
**Seasonally adjusted annual rate.

Source: U.S. Department of Labor,
Bureau of Labor Statistics

RETAIL ADVERTISING

Percent of Year's Total Newspaper Advertising Linage Run by Retailers Each Month: 1988

	Year Total	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Furniture	100%	7.6	9.4	6.4	8.8	8.2	6.4	11.2	11.1	8.8	9.6	8.0	4.5
Bedding	100%	7.2	7.5	7.0	5.4	8.5	7.4	6.2	9.2	8.4	7.3	11.3	12.6

Source: Advertising Checking Bureau:
1990 Newspaper Advertising Planbook

RETAIL ADVERTISING EXPENDITURES

According to an analysis of 10-K reports filed by publicly owned companies with the Securities Exchange Commission, advertising expenditures in 1989 were forecasted to represent 7.1% of the total sales of furniture stores. This compared with a 7.2% share in 1988 and 5.8% in 1986. Included in the figures are all expenditures classified as "advertising expense" by the reporting company, and estimates are also subject to differences in classification systems. Media and nonmedia advertising and production costs are included.

RETAIL ADVERTISING EXPENDITURES

Furniture Store Advertising Expenditures: 1984, 1985, 1986, 1988, 1989

	Ad Dollars As % of Sales	Ad Dollars As % of Margin*	Ad Dollars Annual Growth Rate%
1989 (f)	7.1%	15.7%	7.0%
1988	7.2	16.0	6.3
1986	5.8	12.9	14.3
1985	5.8	14.9	21.8
1984	7.1	18.2	12.1

* Margin is net sales less cost of goods sold.
(f) forecast
Note: Figures for 1987 were not calculated.

Source: Pansophic Systems and Schoenfeld & Associates (Advertising Age)

CONSUMER MARKET POTENTIAL

New Home Buyers

In October of 1988, Simmons Market Research Bureau conducted a study for New Home magazine among 2,000 buyers of homes above the national median price of $85,000. Results showed that more than $13 billion a year is spent by new home owners on household goods, with mattresses, sofas and outdoor furniture among the most popular categories purchased. Beds, recliners and accessories also scored highly.

According to the study, buying a new home triggers an unprecedented spending spree, as consumers buy more furniture at this time than during any other time in their lives. The purchase patterns for new home buyers for specified furniture categories are shown below.

Furniture Buying Plans of New Home Owners

	Purchased Within 3 Months Of Buying a Home	Purchased Within 6 Months Of Buying a Home	Will Purchase Within 12 Months Of Buying a Home
Furniture:			
Bedroom	22%	10%	7%
Living room	24	12	10
Dining room	24	10	11
Kitchen	21	6	5
RTA	10	2	1

Source: Simmons Market Research Bureau for New Home Magazine, HFD (November 28, 1988)

CONSUMER PURCHASE PATTERNS

According to a 1989 national consumer profile of the home furnishings buyer, published by Furniture Retailer, mattresses, sofas, upholstered chairs, recliners and lamps were the most frequently purchased items for the home. Most of these purchases were made by women, who were responsible for 77% of bedding purchases, 75% of lamp purchases, and more than 80% of the sofa, chair and recliner purchases. Those aged 25 to 35 made one out of every five sofa and chair purchases, and one out of every four mattress purchases. Sales of recliners were strong among women in this age group, and for those over 65 years old. Although buying activity was also strong among women aged 36 to 55, it tapered off in the mattress category for those aged 46 to 55. Less than 5% of purchases in each of the five most popular categories were made by men, most of whom were between the ages of 25 and 45.

Income level was not a determining factor in most home furnishings purchases, as those with household incomes under $20,000 made at least 20% of sales of accessories, bedroom sets, desks, dinettes, lamps, recliners, upholstered chairs, sofas, wall systems, wicker/rattan and mattresses for the year. Nearly all categories received equal attention from the $20,000 to $45,000 and the over $45,000 income households.

Over 50% of consumers purchased entertainment centers and occasional tables because they were remodeling or redecorating. 28% of consumers purchased formal dining room furniture for a new home, and 29% for replacing old furniture. Purchases of recliners and sofa sleepers were also made to replace old ones by over 40% of consumers.

Half of the buyers made their purchases in a store where they had previous shopping experience.

Mediamark Research, Inc. gave a summary on the percentage of the U.S. population that reported buying at least one of the specified furniture items during a 12 month period, based on 12,660 diaries. During 1987-88, 6.6% of all U.S. households purchased at least one sectional sofa and table/floor lamp.

Furniture Purchases By U.S. Households

	Households
Sofa/sectional	6.6%
Table/floor lamps	6.6
Boxspring/mattress	6.3
Recliner	4.9
Lawn/porch furniture	4.9
Bed frame/headboard	4.4
Bedroom furniture (other)	4.2
Kitchen furniture	4.2
Dining room furniture	3.2
Wall unit/wall system	3.1
Sofabed convertible	3.0
Waterbed	2.5

Source: Mediamark Research, Inc. Spring/Fall 1988:
1990 Newspaper Advertising Planbook

CONSUMER PURCHASE PATTERNS

The following information is from the HFD/Better Homes & Garden Consumer Panel annual survey of 500 subscribers, on what they look for when buying furniture. The median household income of the respondents was $40,260, the median age was 45.5, and 88.8% owned their own home.

Upholstered Furniture

Responses to questions pertaining to upholstery fabric suppliers and manufacturers found country (casual) to be the preferred style of furniture for over one-third, (34.6%) of respondents. Most were willing to pay between $500 to $699 for a living room sofa, with the median price at $729, and favored textures in mid-tone colors.

Style of Furniture Most Preferred

Total Respondents	100.0%
Country (casual)	34.6
Traditional	29.0
Eclectic	21.1
Modern (contemporary)	10.8
Early American	9.1
Formal English/French	4.7
Victorian	3.7
Oriental	3.2
French provincial	2.9
Southwest	2.0
Mediterranean	2.0
Italian provincial	1.5
Other	2.0

Price Respondents Would Be Willing to Pay for a Living Room Sofa

Total Respondents	100.0%
Under $400	3.9
$400-$499	11.9
$500-$699	30.2
$700-$899	27.3
$900-$1,299	21.1
$1,300 or more	4.9
Median	$729

Type of Fabric Preferred for Upholstered Furniture

Textures	66.8%
Prints	47.4
Velvets	18.2
Jacquards	12.8
Leather	7.4
Flocks	5.2

Note: Textures figure may be inflated due to consumer ignorance of the term jacquard.

Upholstered Furniture (continued)

Color Preferred for Upholstered Furniture

Mid-tones (wedgwood, mauve, rose)	61.9%
Earth tones (biege, brown)	46.9
Pastels (peach, seafoam, cream)	31.0
Jewel tones (ruby, teal, mahogany)	17.2
White-on-white	10.6
Black	1.7

Note: Results add up to more than 100.0% signifying multiple responses.

Source: HFD (September 11, 1989)

Outdoor Furniture

No single type of outdoor furniture emerged as a clear favorite, however, aluminum had the most mentions with 36%. 43% of participants said they would shop for outdoor furniture in a patio shop, and 31% mentioned a mass merchant. The remaining were split between furniture stores, which were the choice of 18%, and catalogs, chosen by 16%.

Where Consumers Would Shop for Outdoor Furniture

Patio shop	42.8%
Department store	34.2
Mass merchant	31.2
Furniture store	17.7
Catalog	15.5
No Answer	2.9

Outdoor Furniture Consumers Recently Purchased

Aluminum	35.9%
Wood	29.7
Wrought iron	23.6
Resin	14.5
Wicker/rattan	14.3
No answer	3.2

Bedding

When queried about their bedding purchases, 74% of respondents bought furniture on the basis of brand reputation in the industry. Prices and warranties were also important to them. An innerspring mattress was preferred by 78%, and about half desired queen-sized. Most owned their current mattress 4 to 7 years.

Bedding (continued)

Type of Mattress Consumers Would Most Likely Purchase

Innerspring	77.9%
Foam	5.4
Waterbed	15.0
Other	0.7
No answer	1.0

Years Respondents Owned Current Mattress

Less than 1 year	9.3%
1 - 3 years	28.3
4 - 7 years	30.0
8 - 12 years	16.2
13 - 16 years	6.9
17 - 20 years	3.4
More than 20 years	3.7
No answer	2.2

Ready-to-Assemble

Nearly 3 out of 10 survey respondents said they had bought RTA furniture in the last 12 months, reflecting its growing popularity. Half of those described the assembling process as manageable; 36% considered it easy; 14% difficult. Bookcases at 64% and entertainment centers at 48% topped the list as the types of RTA most respondents said they would buy.

Type of RTA Furniture Respondents Would Consider Purchasing

Total respondents	100.0%
Bookcases	63.9
Entertainment centers	48.2
Wall systems	35.4
Home office furniture	24.1
Bedroom furniture	8.6
Dining room furniture	2.7
No answer	7.4

Source: HFD (August 28, 1989)

Some results of a study unveiled by Virginia Tech, Blacksburg, VA, published in Discount Store News (March 20, 1989), revealed that the majority of shoppers, 57% or more, want their RTA to be made out of wood, with traditional or informal styling and neutral tones. The value appeal of RTA and its packaging have contributed to the appeal of the purchase, according to over 80% of all those surveyed. In their last furniture purchase, RTA was chosen over case good items by roughly one-third of consumers surveyed. The RTA choice was somewhat stronger in the West (37%), especially when compared to the South (28%).

Ready-to-Assemble (continued)

29% of those surveyed said they bought their last RTA unit at a discounter, followed by specialty furniture store outlets at 20%. While department stores and traditional stores lagged behind with 13% and 11% response rates, these channels are expected to become a growing source of RTA sales, according to industry sources.

Where Consumers Purchased Their Last Piece of RTA Furniture

Discount store	29%
Specialty furniture store	20
Department store	13
Traditional furniture store	11

Consumer Preference in RTA Fashion

Wood veneer/solid wood	85%
Neutral colors	70
Wood and leather	65
Traditional	59
Informal	57
New fashion	15
Wood-look plastics	15
Formal	12
Bold colors	11
Chrome and glass	10

Source: Virginia Tech, Blacksburg, VA for Discount Store News (March 20, 1989)

Waterbeds

Waterbeds are a $2 billion industry consisting of 8,600 manufacturers, distributors and retailers. Since 1983, sales of soft side mattresses were reported to have increased 64% (HFD, 3/6/89).

Nearly 15% of all American households now own a waterbed according to trade sources. More than half of these owners are between 30 and 44 years old, and have high income and educational levels. Most purchases (69%) were made after 1981, with more than 4 million waterbeds sold in 1988. About 25% of the purchases were made by people who complained of ailments such as arthritis, back pain and insomnia.

In an effort to make the public more aware of waterbeds, industry-sponsored public relations and advertising campaigns are planned, according to the Waterbed Manufacturers Association.

CONSUMER PURCHASE PATTERNS

The Bridal Market

A 1989 bridal market study, conducted for Modern Bride Magazine by Home Testing Institute (HTI), surveyed the annual acquisitions of over 143 products. Including furniture and bedding, by both the U.S. bridal market and all U.S. households. The same methodology and 12-month period was used to compare these markets, enabling a credible comparison between the total market (all U.S. households), and the bridal market (households created by new marriages).

The bridal market accounts for about $31 billion in annual retail sales. Although newlyweds represent fewer than 2.6% of all U.S. households, they account for as much as 8.7% of retail sales for bedroom furniture, 8.1% for kitchen/dinette furniture, and 5.7% of both living room furniture and mattresses and boxsprings.

Marriages brought about 2.4 million couples into the market for furniture in 1988. 72% of first-time brides and 63.8% of all brides (first time and remarried) are likely to acquire any type of furniture and household furnishings, while just 38.6% of all U.S. households make any purchases over a 12-month period. First time brides are 3 to 5 times as likely to have acquired bedroom, dining or kitchen/dinette furniture.

Newlyweds spent $1,246 million on furniture and bedding in 1989, representing 5% of national retail sales.

Total National & Bridal Sales of Furniture and Bridal Market's Share of Total Annual Retail Sales Nationally

Category/Product	Total Bridal Market Sales (In Mil.)	Total National Retail Sales (In Mil.)	Bridal Market Share of National Sales
Bedroom Furniture	$ 368.4	$ 4,210.4	8.7%
Living Room Furniture	435.8	7,691.6	5.7
Dining Room Furniture	177.6	3,668.6	4.8
Kitchen Furniture	66.1	812.1	8.1
Outdoor or Patio Furniture	26.1	836.1	3.1
Convertible Sofas/Sofa Beds	55.3	1,619.1	3.4
Mattresses and Boxsprings	116.2	2,037.8	5.7
Total	1,245.5	20,875.7	6.0

Furniture & Bedding Purchases Made in 12-Months Surrounding the Wedding

	% Purchasing		Average Dollar Value of Purchases	
	All Newlyweds	First-Time Brides	All Newlyweds	First-Time Brides
Bedroom furniture	17.0%	20.6%	$1,012	$ 979
Living room furniture	20.6	26.2	1,022	1,002
Dining room furniture	16.5	21.3	724	681
Kitchen/dinette furniture	13.4	17.4	392	357
Outdoor or patio furniture	21.2	27.3	194	162
Convertible sofa/sofabed	16.7	18.3	448	458
Mattresses and/or boxsprings	17.7	21.5	395	399

Source: Modern Bride Magazine:
The 1989 Bridal Market Retail Spending Study

SCHEDULE OF ADDITIONAL FACT FILES

Statistical Analysis of Retailing (A Fact File Special Edition): A detailed statistical summary of retail trade in the U.S. based on the findings in the 1987 Census of Retail Trade issued by the U.S. Census Bureau in 1989. Includes information on the number of outlets by store type, sales, market shares by type of major merchandise classification, geographical changes, etc.

The Children's Market: Infants', Toddlers', Girls' and Boys' (Apparel, Juvenile Products, Toys/Dolls): Covers demographic trends affecting this market, including births, population projections by age, and characteristics of households with children. Includes detailed information on the U.S. children's wear industry, including production and shipments, foreign trade and price trends. Also covered are market trends for juvenile products (cribs, strollers, etc.) and for toys, games and dolls.

Consumer Market Developments: An overview of all facets of the consumer market. Within the framework of population and income groups, the markets for children's products, for young adults and for the mature are defined in terms of numbers and buying power. Trends and projections are included as well as an analysis of developments that are shaping the U.S. consumer market--living arrangements, households, working women, marriage and birth rates, etc. Trends in personal consumption expenditures are also covered.

Department Store Sales: Outlines ownership change/ reorganizations in the past year affecting major department and specialty stores. Buying headquarter locations of stores are listed with information on sales and number of outlets included in this total. Notes are included on plans to open and/or close stores. Sales and outlet information is separately listed for corporate headquarter and for national chains.

Dresses and Washable Service Apparel (Women's, Misses' & Juniors'): At the manufacturer level, provides a statistical profile of the dress industry and the products made within this industry, including dresses, washable service apparel, ensembles, etc. Includes number and size of manufacturers, production, and value of shipments, industry location and trends in employment levels. Analyzed is the governing impact of imports on total U.S. market supply. Retail sales by major type of retail outlet are covered, as well as growth in the size of the consumer market, based on population counts, working women by type of occupation, and more.

Fashion Accessories (Men's, and Women's): Covers developments in the U.S. industry, in imports and in retail sales for fashion accessories, including small leather goods, handbags, millinery, scarves, gloves, belts, jewelry, sunglasses, watches, etc., to the extent that statistical information is available. Included are production and shipments by U.S. manufacturers plus the quantity and value of imports in recent periods. Retail sales in department and specialty stores are reported, as well as summaries of available studies on consumer buying preferences.

Footwear (Men's, Women's, Boys', Girls'): A statistical summary of the U.S. footwear industry and U.S. market. Covers domestic production and shipments, and details trends in imports and their share of the domestic market, with information on major types of footwear. Includes information on sales trends and operating/merchandising results for shoe departments.

Home Textiles & Related Products: Includes the latest statistics on the U.S. industry, including manufacturers of a wide variety of products--bed linens, towels, blankets, comforters, slip covers, pillows, curtains/draperies and hardware, shades and blinds. Covers the changing competitive nature of the industry through acquisitions of major producers and through consolidation of buying power at the retail level. Includes information on production, shipments and retail sales.

Hosiery/Legwear/Bodywear (Men's, Women's, Boys', Girls'): A comprehensive report on mills making hosiery and related products, including production and shipments, fiber consumption, producer price trends. The growing trend in imports is also covered. At the consumer level, the size of the potential market is measured in terms of population counts and projections and estimates are included on retail sales of major products by type of retail outlet.

Household Appliances, Electric Housewares: Covers a broad range of products included in these two classifications at the manufacturer and at the retail level. Provides a statistical profile of the U.S. industry in terms of number of manufacturers, production, shipments, exports. Imports are detailed, as well as information on export markets. Covers retail sales and merchandising results and information on appliance/radio/TV stores.

Household Furniture and Bedding: Provides an overall view of market trends in the U.S. For the U.S. industry, the report covers statistics on manufacturers, on production and shipments in terms of quantity and value by type of furniture. Trends in the concentration levels in the U.S. industry are reported, as well as in employment and earnings in the industry. Also included is information on the industry in leading states. Consumer market information includes data on characteristics of new housing units (number of rooms); also trends in consumer expenditures for furniture, sales by type of outlet. Details on furniture stores, including the 25 leaders, are also covered.

Men's Clothing and Furnishings: Provides a summary of major market trends in the men's furnishings/work/career apparel area and the tailored clothing areas, as well as in the rainwear area. Covers production and shipment information, employment trends, manufacturer concentration levels, location of the industries. Also examines import/export material. There's a look at the consumer market, plus in-depth details covering the retail level including sales and operating results for men's furnishings/work/career apparel/and tailored wear in both department and men's wear stores.

Men's Sportswear, Casual Wear, Outerwear: The wide variety of men's wear items included are covered from available statistical information on the industry at the manufacturer, retailer and consumer levels. Included is information on production and shipments by domestic producers, imports and exports. The retail market is covered in sales estimates and data on major outlet types, as well as studies of consumer buying practices.

The Sports/Fitness/Leisure Markets: Covers details on U.S. manufacturers in the sporting goods/athletic goods industry, concentrating on products sold through retail outlets such as sporting goods stores and general merchandise stores, as well as functional athletic footwear and apparel. Includes quantity and value of shipments of specified products, concentration of shipments among leading manufacturers, and trends in producer prices. Imports of specified sporting and athletic goods are covered. At the consumer level, data includes statistics and sports participation levels and purchases of specific sports equipment.

Sportswear, Casual Wear, Separates (Women's, Misses' and Juniors'): A statistical view of this segment of the women's wear industry is provided, including data on production and value of shipments, imports of major categories, sales by type of outlet, seasonal patterns, and consumer buying habits.

The Textile/Apparel Industries: Provides an overview of the U.S. textile and apparel industries, their current problems and programs to improve their competitive position in the U.S. market and abroad. Covers a statistical profile of each industry in terms of number of manufacturers, concentration levels, production and shipments, including exports. Trends in imports in terms of quantity and value are detailed, as well as quota developments. Also included is information on plant and equipment expenditures and on mill machinery in place in U.S. mills.

Toiletries, Cosmetics, Fragrances and Beauty Aids: A detailed view of the U.S. industry, leading manufacturers, sales of products for both men and women, trends in industry employment and earnings, advertising expenditures and foreign trade. Consumer expenditures by product are detailed as well as retail sales by outlet type, and consumer buying patterns and usage in regard to specified products.

Women's Inner Fashions: Nightwear, Daywear and Loungewear: An analysis of statistical information available on the industry and market, from manufacturer through to consumer. Includes the latest available data on U.S. production, shipments and exports; and details on imports. Retail sales and operating results in department and specialty stores are covered, as well as trends in producer and consumer prices. Developments in the size of the consumer market and trends in the market are summarized.

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Hosiery/Legwear/Bodywear
(Men's, Women's, Boys', Girls')

FAIRCHILD FACT FILE

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Distributed Through
Book Division
Fairchild Publications
Division of Capital Cities Media, Inc.
New York

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Standard Book Number: 87005-720-0

Printed in the United States of America

HOSIERY/LEGWEAR
(Men's, Women's, Boys', Girls')

MARKET TRENDS

The U.S. hosiery industry, overall, did well in 1989, setting a production record at 346 million dozen pairs. This was 15 million dozen pairs, or 4.5%, over the 1988 total compared with the 3.7% rise in 1988 over 1987, according to the National Association of Hosiery Manufacturers (NAHM).

The gain was due in large part to the seemingly insatiable demand, particularly by women, for casual and athletic socks. Production of non-cushion anklets, at 29 million dozen pairs last year, rose 29%, following a 16% gain in 1988 over 1987. Mid-calf/crew sock production, at 19 million dozen pairs, gained 30% over 1988, following a 23% rise in 1988. Socks fit today's casual and active lifestyles, and their popularity seems assured.

Women's pantyhose, on the other hand, showed a reversal in the upward trend in output for the preceding five years. At 120 million dozen pairs, output was 4.5% below the peak of 125 million dozen pairs reached in 1988. Sheer pantyhose/tights dropped to a 34% share of total hosiery production in the U.S. in 1989 from a 38% share in 1988.

A sharp change in women's fashion direction, noted in designer presentations for 1990, calls for very short skirts and for bodywear or tights to be worn with or without skirts. Even if the more extreme presentations along this line are not mainstream fashions, the acceptance of shorter skirts will place more emphasis on the leg. The 1990s are starting out well for pantyhose and fashion legwear marketers, though complicated by the wide variety of offerings that must be on hand to meet the demands of fashion--colors, sheers, opaques, lace, patterns, and more. Knee socks, which have been on the rise in recent years, may be less important as the new fashions take hold. Trade reports on retail sales indicate a 2% rise in retail sales of all women's hosiery in 1989; but sock sales, alone, were up about 8%.

The baby/young children population in the U.S. has grown in recent years, and this is reflected in hosiery output for this market segment. It gained 23% in 1989 over 1988, to total 41.1 million dozen pairs. The men's hosiery industry has been static. Total output, including dress socks, crew socks, etc., at 68 million dozen pairs in 1989, was only 1.2% over the 1988 figure, and below the peak of 68.4 million dozen pairs reported by the NAHM for 1981. Retail sales (which include imports, of course) were up about 5% in dollars according to trade data for 1989.

The demand for socks and fashion legwear, involving a multitude of styles, fabrications, patterns and colors--and quick changes, is being met by hosiery mills through advancements in technology and in communication with the retailers. POS (point-of-sale) programs at the retail level, which record details in types of hosiery sold, in conjunction with the mills' QR (Quick Response) programs have been developed by the industry. This is the key to placing mills in a position to pinpoint market trends and needs, produce what is required quickly, and cut costs.

MARKET TRENDS

Knitting machines have become very sophisticated, with computer controls for programming different designs and colors. Started in women's hosiery, these developments are now moving into the sock areas. Some hosiery manufacturers, such as U.S. Hosiery, are working with retailers on maintaining computerized inventory and sales analysis reports (planogramming services) for specific hosiery departments. These coordinated programs are giving U.S. mills an edge to counter imports, which have been growing rapidly in recent years, particularly in socks.

AT THE MANUFACTURER LEVEL

GENERAL INDUSTRY STATISTICS

The U.S. Bureau of the Census compiles detailed industry information every five years in the Census of Manufactures, the latest of which covered the year 1987. In intercensal periods, the Bureau conducts annual surveys among samples of manu facturers to provide estimates on key measurements of manufacturing activity.

The following table is based on industry reports released thus far in the 1987 census, compared with 1982, on mills classified in the two components of the hosiery industry. Statistics for these two are not additive, as some companies may be involved in both classifications. The Enterprise Statistics report, still to be released by the Census Bureau, will show net statistics for companies whose principal product is hosiery. In 1982, 528 companies were reported, operating 580 mills.

As will be more pointedly noted in the following pages detailing information on a product basis, there has been a general contraction in the women's hosiery segment, while mills producing men's hosiery, socks and anklets of all types except sheer, showed some gain in number of mills and a 35.2% rise in value of industry shipments and miscellaneous receipts compared with a gain of 6% in women's sheer hosiery/pantyhose. Dollar figures are not adjusted for inflation, which would shrink dollar gains. (In 1987, producer prices for hosiery, overall, averaged 8.2% above 1982.)

Women's Hosiery, Pantyhose, Legwear (Except Socks) (SIC 2251*)
(Dollar figures are in current dollars)

	1987	1982	% Change 1987/82
Number of companies**	139	180	- 27.8%
Number of mills***	161	206	- 26.2
Number with 20 or more employees	93	117	- 20.5
Employees, total (thous.)	29.3	30.2	- 3.0
Production workers (thous.)	25.9	26.7	- 3.0
Hours (millions)	53.7	49.6	8.3
Wages (mil. $)	$ 321.1	$ 241.5	33.0
Payroll (mil. $)	385.9	311.1	24.0
Value added by manufacture# (mil. $)	769.5	777.4	- 1.0
Value of industry shipments## (mil. $)	1,497.5	1,411.3	6.0
Capital expenditures, new (mil. $)	32.3	26.0	24.2
Machinery & equipment (mil. $)	30.5	23.6	29.2

(continued)

GENERAL INDUSTRY STATISTICS

Hosiery, N.E.C. (SIC 2252*)

	1987	1982	% Change 1987/82
Number of companies**	375	376	- 0.8%
Number of mills***	426	420	1.2
Number with 20 or more employees	276	263	4.9
Employees, total (thous.)	36.5	32.6	12.0
Production workers (thous.)	32.5	28.8	12.8
Hours (millions)	59.6	51.2	16.4
Wages (mil. $)	$ 372.0	$ 258.1	44.1
Payroll (mil. $)	467.8	326.5	43.3
Value added by manufacture# (mil. $)	960.1	617.3	55.5
Value of industry shipments## (mil. $)	1,952.1	1,443.4	35.2
Capital expenditures, new (mil. $)	64.6	31.4	105.7
Machinery & equipment	49.9	24.2	106.2

n.e.c. not elsewhere classified

* Industrial classifications are as of the 1987 Standard Industrial Classification System (SIC), determined by a mill's principal product. Mills primarily engaged in knitting, dyeing, or finishing hosiery are included, but not auxiliary and service operations (sales offices, etc.), which are separate locations.

SIC 2251: Mills engaged in producing women's and misses' full-length and knee-length hosiery, both seamless and full-fashioned, pantyhose and tights. (Knee-length socks were moved from Industry 2251 to Industry 2252 in the 1987 SIC revision.)

SIC 2252: Covers all types of hosiery not included in SIC 2251 except elastic (orthopedic). Includes men's hosiery, hosiery for boys, girls and children; socks, slipper socks, leg warmers, and tights except women's.

** A company is defined as an organization of one establishment or more under common ownership or control.

***Covers the number of mills (establishments) with payroll at any time during the year.

# Value added by manufacture is derived by subtracting the cost of products bought for resale without further manufacture, the cost of materials, contract work, etc., from the value of shipments, with adjustments for finished product inventories. It avoids the duplication in value of production which results from the use of products of some manufacturing establishments as materials by other manufacturers, and is for most purposes the best value measure of individual industries.

(footnotes continued)

## Value of industry shipments (f.o.b. plant) includes receipts for contract work and miscellaneous receipts, as well as the value of shipments of both primary products and secondary products made in mills in the specified industries. The value of primary product shipments (hosiery) alone--plus the value of shipments of hosiery by mills classified in other industries who make hosiery as secondary products--is covered in the section on PRODUCT SHIPMENTS.

In 1987, SIC 2251 mills reported industry shipments and miscellaneous receipts at $1,497.5 million. The value of hosiery, alone, shipped by these mills plus hosiery shipments by secondary producers classified in other SICs was $1,514.5 million. Comparable figures for SIC 2252 in 1987 were $1,952.1 million vs. $1,902.4 million.

Source: U.S. Bureau of the Census: 1987 Census of Manufactures, Industry Series MC87-1-22B

Based on reports received regularly from knitting mills producing a majority of all types of hosiery made in the U.S., plus estimates for non-reporting mills, the National Association of Hosiery Manufacturers (NAHM), Charlotte, NC, compiles current information on the U.S. hosiery industry and its market. Data on non-knitting companies, such as commercial dyers and finishers, converters, etc., are not collected. The NAHM data represents a most important contribution to this Fact File.

At the end of 1989, 325 companies operating 412 mills were producing hosiery types covered by the NAHM. This compares with the high of 331 companies, 438 mills, counted in 1978. The woman's hosiery industry had 74 companies at the end of 1989--matching the year-ago total, but the mill count was down one (in the South). In other hosiery classifications, there were 266 companies operating 320 mills, one less in each case than the number at the end of 1988.

Number of Hosiery Companies: 1985-1989
(As of end of year)

End of		Women's*			All Other**		
Year	Total	Total	North***	South	Total	North***	South
1989	325	74	13	61	266	31	235
1988	326	74	13	61	267	31	236
1987	328	83	13	70	248	25	223
1986	303	86	18	68	220	20	200
1985	297	87	19	68	215	17	198

Number of Hosiery Mills: 1985-1989
(As of end of year)

End of		Women's*			All Other**		
Year	Total	Total	North***	South	Total	North***	South
1989	412	92	10	82	320	27	293
1988	414	93	10	83	321	27	294
1987	438	104	16	88	351	33	318
1986	434	110	20	90	346	32	314
1985	426	110	20	90	340	31	309

(footnotes continued)

GENERAL INDUSTRY STATISTICS

* Covers hosiery, pantyhose, socks, etc., knit on 300 needles or more for women and girls, size 7 and up. (Some companies are included in both data designated * and **.)

** Covers manufacturers of hosiery knit on less than 300 needles for infants and children (size 3-8 1/2), for girls, boys and women (size 8-11); for men (size 10 and up).

***North includes the Midwest and Far West.

Source: National Association of Hosiery Manufacturers, Hosiery Statistics (Annual reports)

Mill Operating Ratios/Capacity Utilization

Operating ratios published by the Census Bureau indicate a decline in productivity in women's hosiery mills. In current dollars, the value added per production worker hour in women's hosiery mills in 1987 was 8.5% below the 1982 figure and 15% lower than in 1986. However, in other types of hosiery the 1987 value added shot up 34% over 1982 and was up 16% over 1986.

Selected Operating Ratios in Hosiery Manufacturing: 1982, 1985-1987

	Women's Hosiery, Except Socks (SIC 2251)			
	1987	1986	1985	1982
Payroll per employee ($)	13,171	13,146	12,441	10,301
Production workers: % of total employment	88	89	89	88
Annual hours of production workers (number)	2,073	2,070	2,026	1,858
Avg. hourly earnings of production workers ($)	5.98	5.48	5.24	4.87
Cost of materials: % of value of shipments	48	44	42	45
Value added per employee ($)	26,263	31,052	29,675	25,742
Payroll as % of value added	50	42	42	40
Value added per production worker hour ($)	14.33	16.87	16.47	15.67

	Other Hosiery (SIC 2252)			
	1987	1986	1985	1982
Payroll per employee ($)	12,816	12,604	12,189	10,015
Production workers: % of total employment	89	88	88	88
Annual hours of production workers (number)	1,934	1,830	1,828	1,778
Avg. hourly earnings of production workers ($)	6.24	6.09	5.83	5.04
Cost of materials: % of value of shipments	52	55	55	58
Value added per employee ($)	26,304	22,392	22,022	18,936
Payroll as % of value added	49	56	55	53
Value added per production worker hour ($)	16.11	13.93	13.69	12.05

Source: U.S. Bureau of the Census: 1982, 1987 Census of Manufactures and 1985, 1986 Annual Surveys of Manufactures

Mill Operating Ratios/Capacity Utilization (continued)

The U.S. Bureau of the Census conducts an annual survey of plant capacity which covers operations in the fourth quarter of the year. Measures of plant capacity utilization include a rate which is based on plant operator preferred level of operations--generally considered to be the rate at which profits will be maximized.

Drawing on this measurement, the trend over the years 1982-1988 shows considerable change in levels from year to year and differences between the two components of the hosiery industry.

Capacity Utilization Rates in the Hosiery Industry: Fourth Quarters 1982-1988

(Based on Preferred Rate - 100)

	1988	1987	1986	1985	1984	1983	1982
Women's hosiery, except socks (SIC 2251)	85	90	82	78	83	91	92
Other hosiery (SIC 2252)	91	88	94	87	83	90	84

Source: U.S. Bureau of the Census: Current Industrial Reports, Survey of Plant Capacity MQ-C1(88)-1 (Issued April 1990)

U.S. domestic women's hosiery mills used an estimated 85% of their preferred capacity during their 1988 fourth quarter, down from 90% in 1987. Mills making other types of hosiery (socks, anklets, children's hosiery, etc.) operated at 91% in the 1988 fourth quarter, up from 88% in 1987.

Employment & Earnings

Overall employment in the hosiery industry in 1989 averaged 70,411, according to the Bureau of Labor Statistics (BLS). This was 1.1% over the 1988 total, but sagged almost 20% below 1987's 71,700. (BLS employment data differs from statistics derived by the Census Bureau due to differences in methodology, involving classifications of establishments and other factors.)

Employment in women's sheer hosiery/pantyhose mills was reported at 33,000 in 1989, down 2.1% compared with 1988, according to the BLS, and 8.1% below the peak of 35,900 reported for 1987. On the other hand, employment in other types of hosiery, socks, legwear mills continued to climb in 1989 due in large part to soaring demand for athletic and casual socks for women, girls and boys, as well as men. Employment reached a peak of 37,400 in 1989, up 2.7% over 1988, and 4.5% over 1987.

Employment & Earnings (continued)

Hosiery Industry Employment & Earnings: Annual Average 1986-1989

	Women's Hosiery, Except Socks (SIC 2251)*				Hosiery, N.E.C (SIC 2252)*			
	1989	1988	1987	1986	1989	1988	1987	1986
All employees (thous.)	33.0	33.7	35.9	35.6	37.4	36.4	35.8	35.8
Production workers	29.6	30.6	32.0	31.6	33.9	32.8	32.2	32.1
Av. weekly earnings $	262.87	253.60	250.38	242.65	261.80	250.63	243.43	232.76
Av. hourly earnings $	6.81	6.57	6.42	6.27	6.73	6.41	6.21	6.03
Av. weekly hours	38.6	38.6	39.0	38.7	38.9	39.1	39.2	38.6

* For SIC industry definitions, see page 3.
n.e.c. not elsewhere classified.

Source: U.S. Department of Labor, Bureau of Labor Statistics

INDUSTRY CONCENTRATION

When the Census Bureau reported on the 1982 census of manufactures, the top four companies in the women's hosiery segment (SIC 2251) accounted for 58% of the value of shipments in this classification, up from a 50% share held by the top four in 1977. Comparable results for industry SIC 2252 showed the top four companies holding a 20% share in 1982; 19% in 1977.

Along with the consolidations that have characterized the textile/apparel industries in recent years, when the Census Bureau issues data on industry concentration levels in 1987, a continued trend toward a larger share in the hands of fewer companies may be expected (though, as noted, the total value of shipments in the women's hosiery segment, as well as the number of mills, has been declining). (See the section on SHIPMENTS for the number of companies classified in specific types of hosiery manufacturing, 1987 and 1982.)

Census data thus far available for 1987 shows the distribution of industry activity based on mill employment size. The large mills--with 500 employees or more--in women's hosiery/pantyhose manufacturing accounted for 12% of the mills, 67% of employment, 72% of value added by manufacture, 69% of the value of industry shipments and other receipts. Comparable 1982 shares: 8%, 51%, 63%, 56%, respectively.

Smaller mills in this classification have been gaining more than other mills, however, in a key measure: value added by manufacture. Those with fewer than 50 employees showed a 38% gain in this measure in 1987 compared with 1982 while mills with 500 or more employees gained only 12.7% in value added. All mills as a whole dropped 1%. New, more efficient equipment in these small mills may be a factor.

Mills in industry SIC 2252, making other than sheer women's hosiery/pantyhose tend to be smaller than in the women's segment. The larger mills in the category, with employment of 250 or more represented 9.1% of the classification's mill count in 1987 vs. 7.8% in 1982. Comparisons of the larger mills' share based on other measures in 1987 and 1982--employment: 44.4% vs. 40%; value added by manufacture: 48% vs. 45.4%; value of shipments: 45.8% vs. 41.5%.

Distribution of Selected Industry Statistics By Mill Employment Size: 1982, 1987

(Employment in thousands, dollars in millions)

	Mills (No.)		Employment		Value added by Manufacturer		Value of Industry Shipments	
	1987	1982	1987	1982	1987	1982	1987	1982
Women's Hosiery (SIC 2251)								
Total	161	206	29.3	30.2	$769.5	$777.4	$1,497.5	$1,411.3
Percent	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Avg. employment								
Under 10	29.2	29.6	0.7	0.7	0.6	0.6	0.6	0.6
10 to 19	13.0	13.1	1.0	1.3	1.1	0.8	1.1	1.0
20 to 49	16.8	12.6	2.7	2.3	2.5	1.6	2.4	1.8
50 to 99	9.9	13.1	3.8	3.7	3.7	3.7	4.4	5.3
100 to 249	10.6	14.1	9.6	15.2	8.1	10.1	10.3	14.6
250 to 499	8.1	9.2	15.4	23.2	12.2	20.1	12.4	20.3
500 to 999	8.1	6.8	33.4	34.1	39.1	42.5	34.0	38.8
1,000 or more	4.3	1.5	33.3	17.2	32.7	20.5	34.9	17.5
Other Hosiery (SIC 2252)								
Total	426	420	36.5	32.6	$960.1	$617.3	$1,952.1	$1,473.4
Percent	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Avg. employment								
Under 10	22.1	23.3	1.1	1.2	0.9	0.2	0.9	1.1
10 to 19	13.1	14.0	2.2	2.8	1.6	1.9	1.8	2.1
20 to 49	25.1	26.2	9.3	10.4	7.0	9.0	7.8	11.2
50 to 99	15.3	12.6	12.6	11.7	12.0	9.8	13.1	10.6
100 to 249	15.3	16.0	30.4	33.4	30.5	32.9	30.6	32.4
250 to 499	7.7	6.4	31.8	28.5	36.8	32.0	36.4	31.0
500 or more	1.4	1.4	12.6	12.0	11.2	13.4	9.4	11.5

Summary of Change in Number of Mills & Value Added by Manufacture By Employment Size: 1982, 1987

	No. of Mills		Change In Number	Value Added by Manufacture (millions)		% Change
	1987	1982		1987	1982	1987/82
Women's hosiery (SIC 2251)						
Total	161	206	- 45	$769.5	$777.4	- 1.0%
Employment size of mills:						
Under 50	95	114	- 19	32.4	23.5	37.9
50 to 99	16	27	- 11	28.7	29.1	- 1.4
100 to 249	17	29	- 12	62.5	78.2	-20.1
250 to 499	13	19	- 5	93.8	156.8	-40.2
500 or more	20	17	3	552.1	489.7	12.7

(continued)

INDUSTRY CONCENTRATION

Summary of Change in Number of Mills & Value Added by Manufacture By Employment Size: 1982, 1987
(continued)

	No. of Mills		Change	Value Added by Manufacture (millions)		% Change
	1987	1982	In Number	1987	1982	1987/82
Other hosiery (SIC 2252)						
Total	426	420	6	$960.1	$617.3	55.5%
Employment size of mills:						
Under 50	257	267	- 10	91.2	73.8	23.6
50 to 99	65	53	12	114.8	60.6	89.4
100 to 249	65	67	- 2	292.5	202.9	44.2
250 to 499	33	27	6	359.6	197.6	82.0
500 or more	6	6	-0-	108.1	82.5	31.0

Source: U.S. Bureau of the Census:
1982, 1987 Census of Manufactures

The number of women's sheer hosiery mills with 20 employees or more has dropped sharply since 1972, while a small gain is noted in mills making other types of hosiery.

	Women's Hosiery Industry, Except Socks, (SIC 2251)				Hosiery, N.E.C. (SIC 2252)			
	1987	1982	1977	1972	1987	1982	1977	1972
No. of mills with 20 or more employees	93	117	119	217	425	420	415	415

Source: U.S. Bureau of the Census:
1972, 1977, 1982, 1987 Census of Manufactures

LOCATION OF THE INDUSTRY

North Carolina is the dominant location of mills operating in both segments of the hosiery industry, although in recent years it has been losing share in value added by manufacture of women's hosiery to other Southern states. In 1987, according to the latest census of manufactures, North Carolina had 93 mills in the women's hosiery segment (SIC 2251), representing 58% of the total (161). In 1982 North Carolina had 116 mills in this classification, or 56% of the 206 total. The state accounted for 52% of the value added by manufacture in 1987 vs. 58% in 1982.

In the hosiery, not elsewhere classified (SIC 2252), segment, North Carolina had 265 mills (62% of the total) in 1987 compared with 274 mills (65% of the total) in 1982. The state held a 66% share of value added by manufacture, however, which was up from 59% in 1982.

The National Association of Hosiery Manufacturers (NAHM), Charlotte, NC, compiles current information on the U.S. hosiery industry and its market which supplements available Census Bureau data. The NAHM annual reports provide a very important contribution to this Fact File, and are acknowledged with great appreciation.

LOCATION OF THE INDUSTRY

It should be noted that there are some differences in industry coverage as reported by the NAHM and the Census Bureau. Association statistics are based on reports from knitting mills, and do not include dyers and finishers or converters which are included by the Census Bureau. The NAHM classifies industry segments based on needle counts and covers mills in operation at the end of the year. The Census Bureau follows the SIC (Standard Industrial Classification) system and includes mills in operation at any time during the year.

Number of Hosiery Companies & Mills Operating in the North & South: End of 1988, 1989

		Women's*			All Other**		
	Total	Total	North***	South	Total	North***	South
COMPANIES							
1989	325	74	13	61	266	31	235
1988	326	74	13	61	267	31	236
MILLS							
1989	412	92	10	82	320	27	293
1988	414	93	10	83	321	27	294

* Covers manufacturers of hosiery, socks, etc., knit on 300 needles or more for women and girls, size 7 and up. (Some companies are included in both industry segments.)

** Covers manufacturers of hosiery knit on less than 300 needles for infants and children (size 3-8 1/2) for girls, boys and women (size 8-11), for men (size 10 and up).

*** The North includes the Midwest and Far West

Source: National Association of Hosiery Manufacturers: Hosiery Statistics

Note: Information on production and shipments in the North and in the South will be found in those specific sections in this Fact File.

PRODUCTION

Consumption of Materials

Included in coverage of the hosiery industry in the census of manufactures is information on spending for materials and supplies (including yarns) by mills classified in the industry. These figures reflect major developments in the industry, including changes in costs of materials as well as changes in the relative importance of different yarn types.

Consumption of Materials (continued)

In women's sheer hosiery, for example, in 1987 compared with 1982 the quantity of nylon filament yarns used by the industry increased 52%, while delivered cost (current dollars) was up only 8.5%. Consumption of spandex filament yarns was up 47%; costs gained 45% in current dollars. The quantity of other types of yarns consumed in the women's hosiery industry was not reported; however, in terms of expenditures, nylon filament yarns represented 28% of the 1987 total vs. 31% in 1982. Spandex filament yarn's share increased from 13.8% of reported spending in 1982 to 16.6% in 1987.

In other types of hosiery, mainly socks of all types, the growth in demand for cotton is noted in this yarn's share of materials costs which almost doubled to about 20% in 1987 compared with 1982's 10.7%.

Materials By Kind Consumed in the Hosiery Industry: 1982, 1987
(Quantity in million pounds, value in millions of current dollars)

Industry	1987			1982		
	Quantity	Value	% of Total	Quantity	Value	% of Total
Women's hosiery, except socks (SIC 2551)						
Materials, containers, supplies	--	$667.0	100.0*	--	$551.2	100.0*
Hosiery in the greige	nr	44.5	6.7	nr	45.6	8.3
Pantyhose shipped in the greige	nr	65.5	9.8	nr	67.1	12.2
Cotton yarns	nr	10.2	1.5	5.6	9.6	1.7
Nylon spun yarns	nr	46.6	7.0	7.0	22.0	4.0
Acrylic yarns	nr	15.5	2.3	6.9	17.8	3.2
Nylon filament yarns	71.3	188.1	28.2	46.9	173.3	31.4
Spandex filament yarns	11.9	110.5	16.6	8.1	76.2	13.8
All other yarns	nr	16.8	2.5	nr	8.1	1.5
All other materials, containers, supplies, and types not specified	--	169.3	25.4	--	131.5	23.9
Other hosiery (SIC 2252)						
Materials, containers, supplies	--	905.0	100.0	--	734.5	100.0
Hosiery in the greige	nr	264.3	29.2	nr	204.9	27.9
Cotton yarns	nr	179.9	19.9	50.0	78.4	10.7
Nylon spun yarns	nr	35.6	3.9	nr	26.6	3.6
Acrylic yarns	46.8	80.9	8.9	69.6	146.2	19.9
Nylon filament yarns	19.5	43.5	4.8	25.8	68.4	9.3
Spandex filament yarns	nr	16.0	1.8	2.0	10.7	1.4
All other yarns	nr	60.7	6.7	25.3	56.3	7.7
All other materials, containers supplies, and types not specified	--	224.1	24.8	--	143.0	19.5

nr not reported

* Some duplication in value is unavoidably reported, as the cost of materials incurred by mills shipping unfinished hosiery is included in the total for hosiery in the greige as well as in separately reported cost items.

Source: U.S. Bureau of the Census: 1987 Census of Manufactures, Industry Series MC87-1-22B

Consumption of Materials (continued)

Nylon is the dominant fiber type consumed in the production of women's hosiery and pantyhose as basic sheers represent the bulk of the business. But the many attractive variations offered in DuPont's Lycra spandex blends, particularly in combination with nylon for sheer pantyhose and in other combinations for opaques, fashion-forward looks, and novelty legwear, have caused spandex blends to grow at the expense of all-nylon legwear.

New spandex combinations are frequently announced. Early in 1990, Calvin Klein Hosiery came out with a pantyhose that combines silk and sheer Lycra spandex, which was the first time silk and Lycra spandex had been knit together successfully. Spandex offers the salable qualities of comfort and durability as well as good appearance, and demand is growing. In 1988, according to DuPont, 29 million dozen pairs of pantyhose with sheer Lycra legs were produced, and this type represented about 20% of all women's hosiery sales. DuPont projects the 1990 share at 30%, according to trade sources.

Spandex has also grown in importance for use in bodywear and tights. The diversity of end uses for which this product can be adapted through innovative blending with other fibers, and fabrications for men as well as women, girls and boys continues to expand. Ending concerns about supply, DuPont announced plans to increase Lycra spandex capacity in their plants late in 1989 and in the first quarter of 1990.

Acrylic is a major component of men's hosiery. High bulk acrylic is used in athletic socks, though it has lost ground in this end use to cotton. According to the Acrylic Council, Inc., acrylic now accounts for less than 30% of all athletic sock sales. In the fall of 1988, acrylic was reported to have made up 12% of the women's athletic sock market and 42% of the men's.

Overall consumption of fibers in the two hosiery industry subgroups is reported annually by Fiber Economics Bureau Inc. (formerly Textile Economics Bureau), while the National Cotton Council of America reports on materials consumed, and cotton's share of the total, for specific types of hosiery.

Textile Fibers Consumed in U.S. Hosiery Production: 1984-1988
(Millions of pounds)

	1988	1987	1986	1985	1984	% Change 1988/84
Women's hosiery, exc. socks						
Total fiber	98.1	95.5	91.0	86.4	86.0	14.1%
Manmade fibers	93.8	91.3	87.2	83.0	82.0	14.3
Cotton	4.3	4.2	3.8	3.4	3.4	26.5
Anklets, socks (men's, women's, children's)						
Manmade fibers	203.1	210.1	210.8	189.3	190.5	6.6
Total fiber	106.0	112.8	127.7	122.7	131.5	19.4
Cotton	93.7	93.5	79.3	63.9	55.6	68.5
Wool	3.4	3.8	3.8	2.7	3.4	-0-

Source: Fiber Economics Bureau, Inc.: Fiber Organon, Sept. 1989

Cotton is mainly a factor in the hosiery industry segment encompassing all types of legwear except women's sheer hosiery and pantyhose and men's dress socks. The growing importance of other socks, particularly athletic, has resulted in a sharp increase in the use of cotton.

Consumption of Materials (continued)

Cotton's Share of Materials Consumed in the Production of Specified Hosiery: 1986-1988

	1988	1987	1986
Men's hosiery, total	38%	36%	33%
Anklets, socks*	20	19	15
Knee socks	45	45	42
Mid-calf	49	48	45
Footsocks	42	41	38
Other socks, anklets, etc. (sizes 3-11)	62	58	50
Anklets & midcalf	74	70	60
Girls', boys', women's (8-11)	74	71	64
Children's, infants' (3-8 1/2)	76	66	48
Footsocks	61	60	59
Girls', boys', women's	61	60	59
Children's, infants'	61	63	59
Knee socks	29	27	29
Girls', boys', women's	28	26	29
Children's, infants'	33	33	30

*Includes slack socks, crew socks, athletic socks, etc.

Source: National Cotton Council of America:
Cotton Counts Its Customers, 1989 Edition

Production Centers

The dominance of North Carolina as a hosiery production center continues to erode. Although the state accounted for half of the output of all types of hosiery in 1989, this compares with a 56% share in 1985 and 1986. The NAHM reports that the shares of hosiery production held by other traditional centers in the South (Tennessee and Georgia) have also fallen, but Alabama and other Southern states have picked up small shares. As noted in a previous table (Location of the Industry), compared with 1985 there were 24 fewer hosiery mills in the South in 1989; 14 fewer in the North.

North Carolina is the major center for production of women's sheer hosiery, not including pantyhose and socks, with a 68% share of output in 1989, according to the NAHM. The state held a 51% share of total output of all types of socks and anklets, and a 41.4% share of women's pantyhose output.

By Product Type

Swings in consumer demand and preferences for the many types of hosiery now offered are indicated in the annual production statistics compiled by the NAHM. Since 1987 is the base year for Census Bureau reports compiled in the complete census of manufactures, the following table includes the percent change in output in 1989 compared with 1987, as reported in NAHM's industry coverage.

By Product Type (continued)

Output of all types of hosiery was up 8.3% in this period, and was 4.4% over 1988. A lag in pantyhose held down gains. This single largest hosiery category dropped in share of total output of all types from over 37% in recent years to 34.5% in 1989. Pantyhose production in 1989 was virtually unchanged compared with 1987, but fell 4.5% below the 1988 level. A bright spot, however, was in elastomer (spandex) which met rising demand with a gain of almost 18% in output compared with 1987, and about 2% over 1988. Other types of pantyhose/tights were below 1987 and 1988 production levels.

In the women's hosiery category, stretch and support stockings registered gains. Stocking production as a whole rose 22% over 1987, 36% over 1988. Knee-highs, socks, etc., in the sheer category, were down compared with 1987, but rose 4.1% over the 1988 total.

For the first time in 1989, the quantity of girls', boys' and women's products knit on less than 300 needles--mainly anklets, crew socks and knee-highs--outstripped men's hosiery production as a classification. These products accounted for 20.3% of all hosiery produced in 1989, up from about 18.5% in 1988 and 1987.

Output of men's hosiery in 1989 rose 6% over 1987, 1.2% over 1988. Cushion types registered the best gains, particularly in mid-calf/crew socks.

Among major hosiery classifications, types for young children registered the best percentage gains in 1989, continuing the growth noted in this population group in recent years. Infants' and children's hosiery gained 23% over 1988 and 39% over 1987.

Production of Hosiery By Major Types: 1982, 1987-1989
(Dozens of pairs in thousands)

	1989	1988	1987	1982	% Change 1989/87
Hosiery, total	346,346	331,682	319,911	281,768	- 8.3%
Infants' & children's, sizes 3 - 8 1/2	41,125	33,388	29,631	25,764	38.8
Footsocks	404	561	522	618	- 22.6
Anklets	21,371	17,003	16,929	16,055	26.2
Mid-calf/crew	14,880	10,853	7,855	1,446	89.4
Knee-highs	3,361	3,950	3,331	6,653	0.9
Waist-highs	1,109	1,018	983	992	12.8
Stockings	--	3	11	--	--
Girls', boys', women's, (sizes 8-11, knit on less than 300 needles), total	70,334	61,176	59,271	46,324	18.7
Footsocks	3,394	4,591	5,944	6,503	- 42.9
Cushion*	2,793	3,755	4,671	6,121	- 40.2
Non-cushion	601	836	1,273	382	- 50.8
Anklets	37,837	29,789	29,071	11,875	30.1
Cushion*	8,684	7,233	9,574	4,321	- 9.3
Non-cushion	29,153	22,556	19,497	7,554	49.5
Mid-calf/crew	19,446	14,913	12,142	3,984	60.1
Cushion	5,540	4,908	4,320	2,982	28.2
Non-cushion	13,906	10,005	7,822	1,002	77.8

(continued)

Production of Hosiery By Major Types: 1982, 1987-1989
(Dozens of pairs in thousands)

	1989	1988	1987	1982	% Change 1989/87
Girls', boys', women's (sizes 8-11, knit on less than 300 needles) (continued)					
Knee-highs	8,937	11,061	11,423	23,403	- 21.8
Cushion	5,162	6,674	6,238	6,958	- 17.2
Non-cushion	3,775	4,387	5,185	16,445	- 27.2
Stockings	32	99	35	79	- 8.6
Waist-highs (tights, other than sheer) size 7 & up	688	723	656	480	4.9
Women's & girls' hosiery, pantyhose, stockings, tights, knee-highs, etc., (knit on 300 needles or more), total	166,871	169,933	166,853	147,678	-0-
Pantyhose	119,613	125,224	119,886	105,076	- 0.2
Sheer (yarn under 30 denier)	46,206	51,895	53,662	58,491	- 14.0
Opaque (yarn of 30 denier & over) incl. tights	6,284	6,969	8,030	2,399	- 21.7
Elastomer (spandex-type yarn throughout leg &/or panty)	65,855	64,731	56,018	43,226	17.6
Leg support (35 dn. & up)	22,863	20,302	18,323	2,245	24.8
Other (tights, size 7 & up)	1,268	1,629	2,176	960	- 41.7
Stockings	5,108	3,763	4,201	4,477	21.6
Non-stretch	1,662	1,157	1,566	1,463	6.1
Stretch	2,788	2,180	2,200	2,434	26.7
Support	613	376	389	540	57.6
Other	45	50	46	40	- 2.2
Other women's hosiery (sheer)	42,150	40,946	42,766	38,125	- 1.4
Footsocks	86	238	193	372	- 55.4
Anklets	377	644	664	756	- 43.2
Knee-highs	41,678	40,047	41,899	39,979	- 0.5
Mid-calf/crew	9	17	10	--	- 10.0
Men's hosiery (sizes 10 & up, knit on less than 300 needles), total	68,016	67,185	64,156	66,002	6.0
Cushion*	37,800	37,178	31,861	31,562	18.6
Non-cushion	30,216	30,007	32,295	30,440	- 6.4
Footsocks	1,165	1,062	1,012	352	15.1
Cushion*	1,002	935	861	144	16.4
Non-cushion	163	127	151	208	7.9
Anklets	23,730	23,029	25,851	26,723	- 8.2
Cushion*	5,144	4,901	4,816	5,882	6.8
Non-cushion	18,586	18,128	21,035	20,841	- 11.6
Mid-calf/crew	22,474	21,881	18,868	17,274	19.1
Cushion*	14,215	13,515	11,058	11,132	28.5
Non-cushion	8,259	8,366	7,810	6,142	5.7
Knee-highs	20,647	21,213	18,425	17,653	12.1
Cushion*	17,439	17,827	15,126	14,404	15.3
Non-cushion	3,208	3,386	3,299	3,249	- 2.7

* Has some terry or cushion construction. dn denier

Source: National Association of Hosiery Manufacturers, Inc. Hosiery Statistics (Annual Reports)

SHIPMENTS

NAHM Quantity Reports

While the NAHM reports showed the quantity of hosiery produced by U.S. mills in 1989 was 8.3% over 1987, and 4.4% over 1988, shipments were up 14.5% and 9.8%, respectively. The difference was due to a reduction in stocks at the mill level.

Overall, stocks at the end of 1989 were 6.5% below the end of 1988 level. There were variations, of course, by type of hosiery. Stocks of women's pantyhose were down 8.3% in the period; men's hosiery, down 9.3%; girls', boys', women's socks, down 9.5%. But the level of stocks of infants'/children's hosiery was up 13.9%.

The following tables summarize the trend in quantity of shipments of specific types of hosiery in recent years.

U.S. Manufacturers' Shipments of All Types of Hosiery/Legwear: 1980-1989
(Dozens of pairs in thousands)

Year	Quantity	Index*	Year	Quantity	Index*
1989	353,692	122	1984	309,357	107
1988	322,124	112	1983	308,079	107
1987	308,983	107	1982	288,704	100
1986	313,244	108	1981	303,299	105
1985	308,660	107	1980	286,379	64

* Index based on 1982 - 100.

Source: National Association of Hosiery Manufacturers, Inc.: Hosiery Statistics (Annual reports).

Summary of Hosiery Shipments By Size Classification: 1987-1989
(Dozens of pairs in thousands)

	1989		1988		1987	
	Units	% of Total	Units	% of Total	Units	% of Total
Hosiery, total	353,692	100.0%	322,124	100.0%	308,983	100.0%
Socks, etc., knit on less than 300 needles	180,684	51.1	160,735	49.9	155,817	50.4
Sizes 3-8 1/2	39,227	11.1	32,500	10.1	28,607	9.3
Sizes 8-11	71,726	20.3	62,013	19.2	61,191	19.8
Sizes 10 and up	69,731	19.7	66,222	20.6	66,019	21.4
Hosiery knit on 300 needles or more (women's)	173,008	48.9	161,389	50.1	153,166	49.6
Pantyhose	122,990	34.8	114,093	35.4	106,274	34.4

Source: National Association of Hosiery Manufacturers, Inc.: Hosiery Statistics (Annual reports)

SHIPMENTS

NAHM Quantity Reports (continued)

Summary of Hosiery Shipments By Type of Hosiery: 1988, 1989
(Dozens of pairs in thousands)

	1989		1988		
	Units	% of Total	Units	% of Total	% Change 1989/88
Infants', children's (sizes 3-8 1/2) total	39,227	100.0%	32,500	100.0%	20.7%
Footsocks	490	1.2	536	1.6	- 8.6
Anklets	22,105	56.4	17,263	53.1	28.0
Mid-calf/crew	12,507	31.9	10,200	31.4	22.6
Knee-highs	3,008	7.7	3,435	10.6	- 12.4
Waist-highs (tights)	1,117	2.8	1,059	3.3	5.5
Stockings	*	*	7	*	--
Girls' & women's & , sizes 8-11, total**	58,033	100.0%	nr	--	--
Footsocks	3,709	6.4	nr	--	--
Anklets	34,907	60.2	nr	--	--
Mid-calf/crew	14,417	24.8	nr	--	--
Knee-highs	3,938	6.8	nr	--	--
Waist-highs (tights)	1,038	1.8	nr	--	--
Stockings	24	18.9	nr	--	--
Boys', sizes 8-11, total**	13,693	100.0	nr	--	--
Footsocks	130	1.0	nr	--	--
Anklets	3,536	25.8	nr	--	--
Midcalf/crew	5,179	37.8	nr	--	--
Knee-highs	4,848	35.4	nr	--	--
Men's, sizes 10 & up, total	69,731	100.0	66,222	100.0	5.3
Footsocks	991	1.4	979	1.5	1.2
Anklets	24,379	35.0	22,983	34.7	6.1
Mid-calf/crew	22,723	32.6	21,985	33.2	3.4
Knee-highs	21,638	31.0	29,275	30.6	6.7
Women's hosiery***	173,008	100.0	161,389	100.0	7.2
Pantyhose, total	122,990	71.1	114,093	70.7	7.8
Sheer (incl. tights)	49,268	28.5	49,118	30.4	0.3
Opaque	8,403	4.9	7,790	4.8	7.9
Elastomer	63,572	36.7	55,080	34.2	15.4
Control top	25,492	14.7	22,816	14.2	11.7
Under 35 dn.	17,540	10.1	14,509	9.0	20.9
Leg supports, 35 dn +	20,540	11.9	17,755	11.0	15.7
Other pantyhose	1,747	1.0	2,105	1.3	- 17.0
Stockings	4,275	2.5	3,916	2.4	9.2
Non-stretch	1,636	0.9	1,270	0.8	28.8
Stretch	2,279	1.4	2,225	1.4	2.4
Support	306	0.2	355	0.2	- 13.8
Other stockings	54	*	66	*	- 18.2
Other hosiery, total***	45,743	26.4	43,380	26.9	5.4
Footsocks	79	*	338	0.2	- 76.6
Anklets	359	0.2	704	0.5	- 49.0
Mid-calf/crew	12	*	24	*	- 50.0
Knee-highs	45,293	26.2	42,314	26.2	7.0

(footnotes and source continued)

(footnotes from previous table)

* Quantity represents less than 0.1%.
** Products knit on less than 300 needles.
***Products knit on 300 needles or more.
nr not reported separately for boys, girls and women in 1988.
dn denier

Source: National Association of Hosiery Manufacturers' Inc.: 1989 Hosiery Statistics

1987 & Earlier (U.S. Census Bureau)

This section covers Census Bureau data on shipments of hosiery by all producers, including mills classified in SIC 2251 and 2252, and other mills making hosiery as a secondary product.

In 1987, the total value (f.o.b. plant) of all hosiery shipments was $3,417 million. Measured in current dollars, this was a gain of 24% over the 1982 total of $2,750 million reported in the complete census of manufactures compiled by the Census Bureau. (In this period, the Bureau of Labor Statistics reported a rise of 8.2% in the overall producer price index on hosiery. This would mean the rise in value of shipments in real terms was about 16%, with various components of the industry, of course, registering different changes.)

The following table summarizes the value of shipments of major types of hosiery over a period of years based on the censuses of manufactures, and the annual surveys of manufactures (ASM), which are estimates based on a representative sample of mills canvassed annually and may differ from results of a complete canvass of all mills.

Value of Hosiery Shipped By All U.S. Producers: Selected Years 1972-1987
(Millions of current dollars)

Product Class	1987	1986*	1985*	1984*	1982	1977	1972
Women's hosiery, exc. socks (SIC 2251)	$1,514.5	$1,677.5	$1,598.9	$1,626.1	$1,312.8	$819.1	$899.0
Finished hosiery, full- and knee length (22514)	235.5	356.1	348.6	378.2	240.9	723.4	777.2
Finished pantyhose (22516)	1,132.8	1,138.1	1,074.4	1,073.5	943.2		
Hosiery & pantyhose shipped in the greige (22518)	106.8	102.7	103.7	104.9	85.6	58.4	101.1
Type not specified	39.4	80.6	72.2	69.5	43.1	37.3	21.7
Hosiery, n.e.c. (2252)	1,902.4	1,568.9	1,518.2	1,575.7	1,437.1	893.6	588.0
Men's finished hosiery (sizes 10 & up) (22522)	844.7	767.6	723.3	760.6	655.0	464.6	255.9
Other finished hosiery (SIC 22525)	694.3	736.4	729.1	742.3	564.5	367.8	267.3
Hosiery, n.e.c. shipped in the greige (22526)	242.7				155.6		
Type not specified	120.7	64.9	65.8	72.6	61.9	61.2	34.8

* ASM reports. Other years are from the censuses of manufactures.
n.e.c. not elsewhere classified

Source: U.S. Department of Commerce, Bureau of the Census

Information on shipments of specific types of hosiery reported in the 1987 census of manufactures, compared with the 1982 census are covered in the following tables.

SHIPMENTS

1987 & Earlier (U.S. Census Bureau) (continued)

The value of women's hosiery, except socks, shipped in 1987 was over $1.5 billion, up 15.4% (in current dollars) from the $1.3 billion total in 1982. Finished pantyhose represented 74.8% of the 1987 total, compared with 71.8% in 1982. The biggest gain in the pantyhose group was in sheer stretch types (less than 30 denier), which rose almost 74% in shipment value in 1987 vs. 1982.

Quantity and Value of Shipments of Women's Hosiery (Except Socks) (SIC 2251) By All U.S. Producers: 1982, 1987

(Quantity in million dozen pairs; value in millions of dollars)

	1987		1982(r)		% Change 1987/82	
	Quantity	Value	Quantity	Value	Quantity	Value
Women's hosiery, exc. socks, total	--	$1,514.5	--	$1,312.8	--	15.4%
Finished, full- & knee-length	--	235.5	--	240.9	--	- 2.2
Seamless:						
Knee-length (stretch and non-stretch)	32.2	175.4	31.3	141.6	2.9%	23.9
Full-length, nonfancy:						
Less than 30 denier	6.6	38.8	7.9	56.9	-16.4	-31.8
Support	.5	4.3	.5	6.5	--	-33.8
All other, excl. support	.2	1.1	na	8.1	--	-86.4
Full-fashioned, all lengths & denier and fancy stockings	na	na	1.7	27.8	--	--
Finished pantyhose	na	1,132.8	na	943.2	--	20.1
Less than 30 denier, sheer stretch	61.8	543.8	41.7	313.4	48.2	73.5
30 denier or heavier, opaque stretch	11.8	118.8	14.5	208.9	-18.6	-43.1
Elastomer:						
Control top, no leg support	16.4	185.2	17.6	187.6	- 6.8	- 1.3
Leg support, with or without control top	17.6	217.8	12.1	216.7	45.4	0.5
Other sheers, incl. fancies, sewed on legs, waist connected legs, nonstretch, etc., and waist-highs knit on less than 370-needle	4.7	67.3	1.2	13.7	291.7	391.2
Pantyhose, type not specified	--	--	--	2.9	--	--
Women's hosiery, pantyhose shipped in the greige	--	106.8	--	85.6	--	24.8
Full-fashioned and seamless full-length and knee-length	18.3	32.2	10.9	27.5	62.4	17.1
Pantyhose	14.2	74.6	11.7	57.7	21.4	29.3
Type not specified	--	--	--	0.4	--	--
Women's hosiery, type not spec.	na	39.4	na	43.1	--	8.6

na not available (r) revised

Source: U.S. Bureau of the Census: 1987 Census of Manufactures, Industry Series MC87-1-22B

1987 & Earlier (U.S. Census Bureau) (continued)

The second of the two major classifications of hosiery established by the Census Bureau covers all types of hosiery, socks and legwear excluding women's hosiery, pantyhose, and tights covered in the above table. A major component of the Hosiery, n.e.c. classification is men's finished hosiery, shipments of which amounted to $844.7 million in 1987--29% above the 1982 total, and representing about 44% of this industry classification's total in 1987.

Reflecting the growing fashion importance of socks in tandem with the market for athletic/athleisure wear, sharp gains are noted in shipments of these, particularly cotton and/or wool socks for women, girls and boys. They represented 16% of the 1987 total, up from 5% of the 1982 total value of shipments.

Quantity and Value of Shipments of Hosiery N.E.C. (SIC 2252) By All U.S. Producers: 1982, 1987

(Quantity in million dozen pairs; value in millions of dollars)

	1987		1982(r)		% Change 1987/82	
	Quantity	Value	Quantity	Value	Quantity	Value
Hosiery, except women's hosiery and pantyhose	--	$1,902.4	--	$1,437.1	--	32.4%
Men's finished hosiery (sizes 10 & up)	--	844.7	--	655.0	--	29.0
Anklets (incl. slack, crew, athletic socks, etc.)						
Natural fibers (cotton, wool, etc.)	43.0	356.7	16.7	139.7	157.5%	155.3
Manmade fibers	22.3	206.6	34.9	295.1	-36.1	-30.0
Midcalf, half hose						
Natural fibers	18.2	112.4	4.3	37.3	323.2	201.3
Manmade fibers	8.5	65.5	6.6	51.4	28.8	27.4
Knee (Bermuda, campus, etc.)						
Natural fibers	4.9	42.9	3.1	33.2	58.1	29.2
Manmade fibers	5.0	39.3	7.4	56.6	-32.4	-30.6
Other, incl. footsocks	1.8	15.5	3.2	31.0	-43.7	-50.0
Men's finished hosiery, n.s.k.	--	5.7	--	10.6	--	-46.2
Other finished hosiery, n.e.c.	--	694.3	--	564.5	--	23.0
Women's, misses', girls, boys' (sizes 8-11, anklets, slack, crew, athletic socks)						
Natural fibers (cotton and/or wool)	42.4	304.6	11.5	72.2	268.7	321.9
Manmade fibers	14.0	73.3	17.3	122.5	-19.1	-40.2

(continued)

SHIPMENTS

1987 & Earlier (U.S. Census Bureau) (continued)

Quantity and Value of Shipments of Hosiery N.E.C. (SIC 2252)
By All U.S. Producers: 1982, 1987

(Quantity in million dozen pairs; value in millions of dollars)
(continued)

	1987		1982(r)		% Change 1987/82	
	Quantity	Value	Quantity	Value	Quantity	Value
Other finished hosiery, n.e.c. (continued)						
Misses' finished knee-length socks (Bermuda, campus, etc.) (sizes 8-11, all fibers)	12.4	$ 79.9	13.8	$112.5	-10.1%	-29.0%
Girls', boys' socks,						
Knee, etc., excl. anklets						
Natural fibers	3.5	23.6	2.0	14.1	75.0	67.4
Manmade fibers	3.8	28.0	8.9	65.0	-57.3	-56.9
All other (incl. footsocks, stockings & waist-highs)	4.0	19.8	2.8	31.0	42.8	-36.1
Infants' & children's (sizes 3 to 8 1/2)						
Anklets (incl. socks)						
Natural fibers	14.0	83.7	6.2	33.3	125.8	151.3
Manmade fibers	6.5	42.7	10.1	54.3	-35.6	-21.4
Knee (Bermuda, campus, etc.)	1.5	11.1	3.7	21.4	-59.4	-48.1
All other (incl. footsocks, stockings & waist-highs)	na	27.6	--	38.2	--	-27.7
Hosiery shipped in the greige (Except women's full-length and pantyhose)	--	242.7	--	155.6	--	56.0
Men's, all types (sizes 10 & up)	25.2	133.7	21.1	113.2	19.4	18.1
Women's and misses' (exc. full-length & pantyhose), boys' and girls'	20.6	85.6	6.7	27.2	207.5	214.7
Children's and infants'	6.5	23.4	3.2	13.3	103.1	75.9
Other, n.s.k.	--	--	--	1.9	--	--
Hosiery, n.e.c., n.s.k.	--	120.7	--	61.9	--	95.0

n.e.c. not elsewhere classified n.s.k. not specified by kind (r) revised

Source: U.S. Bureau of the Census: 1987 Census of Manufactures, Industry Series MC87-1-22B

Census of 1987 reports covering operations for individual states may include further details on hosiery producers in states where there is a significant industry. The following, however, covers information on shipments in specified states included in the U.S. summary report (MC87-1-22B), which supplements industry location data reported in the industry section of this Fact File.

SHIPMENTS

1987 & Earlier (U.S. Census Bureau) (continued)

Value of Shipments By All Producers In Specified States: 1982, 1987
(Millions of dollars)

	1987	1982	% Change 1987/82
Women's finished full-length & knee-length hosiery			
U.S.	$ 235.5	$ 240.9	- 2.2%
North Carolina	161.9	na	--
Women's finished pantyhose			
U.S.	1,132.8	943.2	20.1
North Carolina	632.9	518.7	22.0
Women's hosiery & pantyhose shipped in the greige			
U.S.	106.8	85.6	24.8
North Carolina	87.8	na	--
Men's finished hosiery (sizes 10 and larger)			
U.S.	844.7	655.0	- 29.0
Alabama	47.4	23.9	98.3
Georgia	80.5	40.5	93.8
North Carolina	499.5	390.5	27.9
Tennessee	56.8	79.4	- 28.5
Other finished hosiery			
U.S.	694.3	564.5	
Alabama	61.5	na	--
Georgia	28.3	na	--
North Carolina	482.0	na	--
Tennessee	75.8	na	--
Virginia	17.0	na	--
Wisconsin	8.8	na	--
Other hosiery shipped in the greige			
U.S.	242.7	155.6	56.0
Alabama	24.9	na	--
North Carolina	185.2	na	--
Tennessee	17.8	na	--

na not available

Source: U.S. Bureau of the Census:
1982, 1987 Census of Manufactures

The following table gives an indication of hosiery types where the number of companies has increased or fallen in recent years. The numbers are not additive, as companies operate in more than one state. The figures show an interesting parallel with developments in shipments. Increases in companies with shipments of $100,000 or more in 1987 were reported in women's finished pantyhose, in men's natural fiber socks and mid-calf hose, in anklets/socks for women, girls and boys, and in natural fiber socks, etc., for small children. A fallout in the company count will be noted in many other types of hosiery.

1987 & Earlier (U.S. Census Bureau) (continued)

Number of Companies With Shipments of Specified Hosiery Valued F.O.B. Plant At $100,000 or More: 1982, 1987

	1987	1982
Women's hosiery, except socks (SIC 2251)		
Finished, seamless hosiery:		
Knee-length, stretch & nonstretch	23	39
Full-length		
Less than 30 denier, stretch & nonstretch	15	21
Support	5	10
All other	3	na
Finished full-fashioned hosiery and other full-length stockings incl. fancy types	2	7
Finished pantyhose		
Less than 30 denier, sheer stretch	48	41
30 denier or heavier, opaque stretch	26	26
Elastomer:		
Control top, no leg support	20	26
Leg support with or without control top	20	24
Other miscellaneous sheers	8	6
Shipped in the greige:		
Women's hosiery, full- & knee-length	11	18
Pantyhose	18	21
Hosiery, n.e.c. (SIC 2252)		
Men's finished hosiery (sizes 10 & up)		
Anklets, socks:		
Natural fiber (cotton and/or wool)	73	70
Manmade fibers	52	80
Mid-calf, including half hose		
Natural fibers	40	30
Manmade fibers	27	35
Knee socks (Bermuda, campus, etc.)		
Natural fibers	23	29
Other, incl. footsocks	10	6
All other finished hosiery		
Women's, girls', boys' (sizes 8-11)		
Anklets, socks		
Natural fibers	64	57
Manmade fibers	48	57

(continued)

SHIPMENTS

1987 & Earlier (U.S. Census Bureau) (continued)

Number of Companies With Shipments of Specified Hosiery Valued F.O.B. Plant At $100,000 or More: 1982, 1987
(continued)

	1987	1982
All other finished hosiery (continued)		
Misses' finished knee-length	25	37
Girls' & boys' (excl. anklets)		
Knee (Bermuda, campus, etc.)		
Natural fibers	23	23
Manmade fibers	21	30
All other (footsocks, stockings, waist-highs), finished	13	17
Infants' and children's (sizes 3 to 8 1/2)		
Socks, anklets, etc.		
Natural fibers	41	28
Manmade fibers	27	36
Knee	15	18
All other (footsocks, stockings, etc.)	14	12
Shipped in the greige (except women's full-length, knee-length & pantyhose)		
Men's, all types	43	57
Women's, misses' boys', girls' (socks, etc.)	49	25
Children's & infants'	19	14

Source: U.S. Bureau of the Census: 1987 Census of Manufactures, Industry Series MC87-1-22B

PRODUCER PRICE LEVELS

Price levels in 1989 for all types of hosiery (f.o.b. mill), according to the BLS, averaged 2% above 1988. The Producer Price Index for hosiery (based on 1982 equal 100), showed an average rise of 12.2% in prices over the base period. In 1987, prices averaged 8.2% over 1982, giving a comparison for the years covered in the Census Bureau's census of manufactures data on value of shipments in current dollars.

The average producer price for all hosiery in 1989 was 3.7% over the 1987 level.

PRODUCER PRICE LEVELS

Producer (Factory) Price Indexes: 1987-1989 Annual Averages for All Hosiery
(1982=100)

1989	1988	1987
112.2	110.0	108.2

Source: U.S. Bureau of Labor Statistics

Measurements of changes in price levels on specific types of hosiery are limited. For men's finished hosiery, prices based on the 1982 average equal to 100 showed a rise of 11.7% in 1987 over 1982. As of December 1989, producer prices in this classification were up 2.3% over the December 1988 level.

Producer prices for women's finished seamless (or simulated seamless hosiery) as of December 1989, were up 2.3% compared with a year earlier, and were 6.5% over the base period, June 1984.

Producer Price Indexes For Specified Hosiery: 1987-1989

	Base Period Equal to 100	Dec. 1989	Dec. 1988	Annual Average 1988	Annual Average 1987
Women's finished seamless/ simulated seamless	June 1984	106.5	104.1	103.0	101.5
Men's finished hosiery	1982 Average	116.8	114.2	113.3	111.7

Source: U.S. Bureau of Labor Statistics

NATIONAL ADVERTISING

National advertising for space/time in nine major media by hosiery manufacturing companies in 1989 totaled $74 million, according to LNA/Arbitron Multi-Media Service. This was 18% over comparable figures for 1988, covering only those hosiery brands advertised in 1989. Network TV represented the bulk of the 1989 total (57.5%), with expenditures up 30%. The next medium of choice was magazines, with a 29% share of the 1989 total, but magazine expenditures were 8% below the comparable 1988 total.

Spending on women's hosiery in 1989 amounted to $66.6 billion, up 8% over the comparable 1988 total for brands advertised in 1989. Sara Lee, which owns such sales leaders as the Hanes brands, L'eggs Products and Donna Karan Hosiery, spent about $50 million on women's legwear and almost $3 million on men's socks (Hanes). Their 1989 spending on women's brands represented about 74% of the reported 1989 total for this classification. Network TV accounted for over 59% of Sara Lee's women's brand advertising.

NATIONAL ADVERTISING

Advertising space/time costs on No Nonsense Pantyhose (Kayser Roth) registered a sharp rise in 1989, almost four times the reported 1988 total, with gains noted in magazines as well as network, syndicated, spot and cable TV.

Hanes represented 78% of the reported total expenditures on men's socks, with better than 90% of spending going for network TV time in 1989.

Expenditures For Space/Time in Nine National Advertising Media By Hosiery Manufacturers: 1988, 1989

(Thousands of dollars)

	1989		1988*		% Change
	Total	%	Total	%	1989/88
Total	$74,033	100.0%	$62,703	100.0%	18.1%
Television:					
Network	42,566	57.5	32,698	52.1	30.2
Spot	5,031	6.8	2,301	3.7	118.7
Syndicated	944	1.3	1,372	2.2	- 31.2
Cable TV	1,840	2.5	1,240	2.0	48.4
Magazines	21,409	28.9	23,277	37.1	- 8.0
Sunday magazines	1,261	1.7	712	1.1	77.1
Network radio	462	0.6	583	0.9	- 20.8
Newspapers	83	0.1	172	0.3	- 52.1
Outdoor	437	0.6	348	0.6	25.6

Distribution of Advertising By Hosiery Classification: 1988, 1989

(Thousands of dollars)

			Leading Media			
			Network TV		Magazines	
	1989	1988*	1989	1988*	1989	1988*
Women's hosiery, pantyhose, legwear	$66,630	$61,674	$39,452	$32,698	$20,425	$22,883
Men's hosiery	3,775	771	2,731	--	612	368
Men's/women's/family hosiery ads	3,628	258	383	--	372	26
Total	74,033	62,703	42,566	32,698	21,409	23,277

* 1988 expenditures include only those brands active in 1989.

Source: Leading National Advertisers, Publishers Information Bureau, and Arbitron Company

FOREIGN TRADE

Conversion of the new Harmonized Tariff Schedule by the U.S. Customs Bureau in 1989 has interrupted the regular publication of reports by the Census Bureau on imports by commodity, as well as comparability in available data by product type with published reports for earlier years, which were based on the TSUSA system.

Drawing on available Census Bureau information, the NAHM has compiled summaries on imports and exports of hosiery, which show the total quantity in 1989 of imports at a record high, reaching close to 15 million pairs, for a gain of almost 25% over 1988. The pantyhose classification, which in 1989 included tights, amounted to 7.1 million dozen pairs, or 47% of total hosiery imports.

This figure, however, is affected to a significant degree by imports under the terms of the Caribbean Basin Economic Recovery Act (CBERA) which led to the 807 Tariff Schedule. This allows beneficiary countries to assemble hosiery from components shipped to them by the U.S. (and counted in exports) then to pay duty only on the value added in the assembly process when the finished product is shipped to the U.S. (and counted in imports).

In 1989, imports of pantyhose from Jamaica (an 807 beneficiary) accounted for 39% of total imports in this category. Of all hosiery imports in 1989, Jamaica's share represented 18.5%, and it was the leading hosiery supplier by far under the terms of the CBERA (as well as buying hosiery from the U.S. aside from 807).

The leading foreign supplier of hosiery last year was Taiwan, which shipped over 6 million dozen pairs (40% of 1989 total U.S. imports). Another large supplier was the Korean Republic, accounting for 15% of the total.

Aided by a weaker dollar, exports of U.S. hosiery registered year-to-year gains from 1986 through 1988, but in 1989 the total quantity of exports dropped 16.5%, to reach 5.7 million pairs, down from 6.8 million in 1988 (the biggest year since 1981 when the total was 7.1 million pairs; and in 1980, 7.5 million). While the quantity of exports dropped, a stronger dollar made them more expensive abroad, and the value of exports was up 12.2% compared with 1988.

Jamaica (the CBERA beneficiary) leads the list of U.S. hosiery customers overseas, as exports of hosiery components are included in the export data. The next largest buyer of U.S. hosiery in 1989 was Canada, accounting for 11.4% of the export total quantity; followed by Chile, 9.8%; Japan, 9.65%.

The balance of trade in exports swung sharply against the U.S. starting in 1984 and has continued, reaching a record high in 1989. The demand for casual novelty socks is a large factor in the growth of imports. Of course the CBERA program, and operations of U.S-owned mills abroad, are also factors in the growth of imports.

Trend in U.S. Hosiery Trade Deficit: Exports & Imports, 1983-1989

Year	Quantity (thous. doz. pairs)			Value (thous. U.S. dollars)		
	Imports	Exports	U.S. Balance	Imports	Exports	U.S. Balance
1983	3,708	4,693	+ 985	$23,019	$42,563	+$19,544
1984	6,221	3,228	- 2,993	38,733	29,735	- 8,998
1985	10,482	2,959	- 7,523	66,020	27,665	- 38,355
1986	12,012	3,942	- 8,070	75,077	34,558	- 40,519
1987	11,937	5,636	- 6,301	84,737	40,839	- 43,898
1988	12,014	6,858	- 5,156	92,935	52,144	- 40,791
1989	14,993	5,726	- 9,267	155,681	58,536	- 97,145

Source: Based on National Association of Hosiery Manufacturer's compilations of Census Bureau data

The growing importance of fashion hosiery, with the trend toward shorter skirts in the U.S., increases the need of U.S. retailers for speedy deliveries of broad assortments. This should work in favor of U.S. mills, many of which are involved in Quick-Response and Just-In-Time programs with their customers and their suppliers; and they are linking their operations to market intelligence developed from the stores' POS (point of sale) programs which monitor retail sales by style, color, etc.

Summary of U.S. Imports & Exports of Hosiery By Type: 1989

Imports	Quantity (Thous. dozen pairs)	Value* (Thous. of dollars)
Pantyhose, tights	7,094.5	$ 77,252
Women's full-length or knee length hosiery	686.8	78,429
Other hosiery, socks, anklets	7,176.0	
Total	14,957.3	155,681
Exports		
Pantyhose, tights	3,034.5	$30,539
Women's full-length or knee length hosiery	1,083.9	8,642
Other hosiery, socks, anklets	1,606.9	19,355
Total	5,725.3	58,536

* Imports' value is the customs value, generally defined as the price paid when sold for exportation, excluding U.S. import duties, freight, insurance, etc. Exports are valued F.A.S. (free alongside ship), which is the value based on the transaction price, plus charges incurred in bringing the shipment to the carrier at the U.S. port of embarkation.

Note: 1989 data are based on the Harmonized Tariff Schedule.

Source: National Association of Hosiery Manufacturers: 1989 Hosiery Statistics

THE POTENTIAL MARKET

The Baby Boom population cohort has moved along the age scale and the "bulge" in the U.S. population is now centered at ages 35 to 54. After year 2000, this group will start to diminish in size, but will still remain the largest single group of consumers with some homogeneity in hosiery needs. The infants' and children's markets have been stimulated in recent years by a baby boomlet--now believed to be reaching its peak, but marketers catering to older children will benefit for some years to come.

The following are projections on population growth for males and for females by age groups compiled by the Census Bureau. As noted, these are the "middle" of a series of three projections based on different assumptions; and this series has generally proved to be quite reliable as an indicator in past projections by the Bureau. It generally reflects recent trends.

Population Projections: 1990, 2000, 2010
(Middle series*)

	Number (thousands)			% Change	Percent Distribution		
	1990	2000	2010	2010/1990	1990	2000	2010
MALE							
Total, all ages	122,243	131,191	138,333	13.2%	100.0%	100.0%	100.0%
Under 5 years	9,426	8,661	8,668	- 8.0	7.7	6.6	6.3
5 - 9 years	9,408	9,288	8,687	- 7.7	7.7	7.1	6.3
10 - 15 years	10,576	11,849	10,955	3.6	8.6	9.0	7.9
16 years & over	92,834	101,392	110,024	18.5	75.9	77.3	79.5
16 - 19	7,182	7,771	7,753	7.9	5.9	5.9	5.6
20 - 34	31,505	27,551	28,709	- 8.9	25.8	21.0	20.7
35 - 54	31,191	40,241	40,018	28.3	25.5	30.7	28.9
55 - 64	10,103	11,557	17,173	70.0	8.3	8.8	12.4
65 & over	12,853	14,273	16,372	27.4	10.5	10.9	11.8
Median age (years)	31.9	35.2	37.5	17.5	--	--	--
FEMALE							
Total, all ages	128,167	137,076	144,241	12.5%	100.0%	100.0%	100.0%
Under 5 years	8,982	8,237	8,231	- 8.4	7.0	6.0	5.7
5 - 9 years	8,971	8,837	8,253	- 8.0	7.0	6.4	5.7
10 - 15 years	10,059	11,259	10,391	3.3	7.8	8.2	7.2
16 years & over	100,155	108,742	117,366	17.2	78.1	79.3	81.4
16 - 19	6,886	7,440	7,410	7.6	5.4	5.4	5.1
20 - 34	31,110	27,198	28,316	- 9.0	24.3	19.8	19.6
35 - 54	32,193	40,893	40,391	25.5	25.1	29.8	28.0
55 - 64	11,260	12,601	18,257	62.1	8.8	9.2	12.7
65 & over	18,706	20,608	22,991	22.9	14.6	15.0	15.9
Median age (years)	34.1	37.6	40.3	18.2	--	--	--

*Middle of a series of three projections, each based on alternative assumptions as to future fertility, mortality, and net immigration levels. Includes Armed Forces overseas. (Totals may not add to 100% due to rounding.)

Source: U.S. Bureau of the Census:
Current Population Reports,
Series P-25, No. 1018 (Jan. 1989)

CONSUMER MARKETS

Hosiery Consumption

In analyzing the total new supply of all types of hosiery coming on the market, based on the quantity of U.S. production, less exports, plus imports, the National Association of Hosiery Manufacturers has compiled data on per capita consumption by type of hosiery. Overall, the quantity in 1989 was at a record level due in large part to gains in hosiery for girls, boys, and women (size 7 & up) knit on less than 300 needles--including knee-highs, anklets, crew socks, etc.--where consumption per relevant population set a record at 25.1 pairs.

The women's sheer hosiery/pantyhose category registered a small gain in 1989 in per capita consumption, equaling the previous high of 21.0 in 1983. Pantyhose alone, at 15.0 were close to the high of 15.1 pairs per woman set in 1983.

Total New Supply of Hosiery By Type & Per Capita Consumption: 1985-1989
(Supply in millions of dozen pairs)

	All Hosiery/Legwear		Women's (sizes 7 & up)*		Men's (size 10 & up)	
Year	Supply	Per Capita	Supply	Per Capita	Supply	Per Capita
1989	366.5	17.9	175.1	21.0	72.4	9.3
1988	327.4	16.1	162.9	19.7	68.4	8.9
1987	315.3	15.7	155.4	19.0	68.1	8.9
1986	321.3	16.2	166.6	20.6	68.7	9.2
1985	316.2	15.9	167.1	20.6	69.9	9.4

	Infants' & Children's (sizes 3 - 8 1/2)		Girls', Boys', Women's (sizes 8 - 11)	
Year	Supply	Per Capita	Supply	Per Capita
1989	40.5	13.3	73.5	25.1
1988	32.9	11.0	63.1	21.4
1987	29.1	9.9	62.7	20.9
1986	28.1	9.7	57.9	19.0
1985	26.8	9.2	52.3	17.3

* All types of hosiery for women knit on 300 needles or more. (For information on types of hosiery included in each major category, see the table on PRODUCTION in this Fact File.)

Note: Population counts used in the above were in the following classifications: for women's hosiery--females age 15 and over; for men's--males age 15 and over; for infants'/children's--boys and girls through 9 years of age; other hosiery--boys 10 to 14 years, females 15 to 24 years of age.

Source: National Association of Hosiery Manufacturers: 1989 Hosiery Statistics

In an annual report on the outlook for soft goods prepared by Kurt Salmon Associates, issued in December 1989, a downturn was anticipated in the quantity of women's pantyhose that would be consumed in the U.S. in 1990, but some gain was looked for in women's socks, aided by new styles. The men's sock market was expected to be flat.

Hosiery Consumption (continued)

The change anticipated for 1990, compared with the KSA/NPD Purchase Panel results in recent years are noted below. As 1990 progresses, it should be noted that retailers are placing heavy promotional emphasis on very short skirts, which if accepted, will stimulate demand for a variety of fashion fabrications in pantyhose and other legwear. Adoption of skin-tight bike looks by younger consumers would stimulate business in tights.

Projected Percent Change in Consumption of Specified Hosiery Compared with Year-to-Year Changes in Units

	Projected	Consumer Purchases		
	1990/89	1989/88*	1988/87	1987/86
Hosiery	-0-	- 4%	- 4%	+ 3%
Women's pantyhose & sheers	- 2%	-11	- 9	-0-
Socks, female	+ 1	- 2	-0-	+ 13
Socks, male	-0-	- 1	+ 5	+ 3

* January - September data.

Source: Kurt Salmon Associates, Inc.
Soft Goods Outlook for 1990
KSA/NPD Purchase Panel

Average Household Expenditures

An on-going survey of consumer spending is conducted by the U.S. Department of Labor, Bureau of Labor Statistics through diaries and interviews. Information on apparel purchases of all types is collected through interviews among a representative U.S. sample of 5,000 consumer units each quarter. The following table covers 1987 survey results projected to 94,150,000 U.S. consumer units. This term is roughly equivalent to households, but not exactly, as a household member with independent income and spending patterns is separately counted in the consumer unit count, but not in the household count as defined by the Census Bureau.

In 1987, according to the BLS, overall average spending for hosiery averaged about $36 per consumer unit. This average, and those reported by the BLS for specific types of hosiery, are averages for all consumer units including those who have not actually made a purchase. Not included in the coverage are purchases by tourists from abroad or others who are not included in household-type counts (such as the institutional population, etc.) Nonsampling errors involving the inability of respondents to provide correct information are also a factor that must be kept in mind, but the average spending data compiled by the BLS does provide help in measuring differences in spending patterns by region, by household income, and other factors.

Following are patterns in spending in 1987 by consumer unit income level. As noted above, the averages are based on total consumer units; the percent reporting is the quarterly average percent of consumer units actually making a purchase.

Average Household Expenditures (continued)

Spending Patterns of Consumer Units For Hosiery By Quintiles of Income Before Taxes: 1987

Hosiery Type	Total	Lowest 20%	Second 20%	Third 20%	Fourth 20%	Highest 20%
Men's (16 & over):						
Average expenditure*	$ 5.58	$ 2.90	$ 4.69	$ 7.33	$ 9.89	$14.48
% reporting	10.44%	4.68%	6.62%	10.67%	13.16%	16.31%
Boys' (2-15):						
Average expenditure*	2.06	0.62	1.40	1.56	2.72	3.66
% reporting	4.68	1.91	3.41	4.41	6.44	7.29
Women's (16 & over):						
Average expenditure*	25.06	8.44	13.98	24.49	31.88	45.27
% reporting	30.69	16.93	23.32	31.73	36.58	46.19
Girls' (2-15):						
Average expenditure*	2.65	0.97	1.47	2.37	3.69	4.61
% reporting	5.97	2.18	4.02	6.21	8.55	9.37
Children under 2:						
Average expenditure*	0.42	0.12	0.10	0.63	0.79	0.60
% reporting	0.58	0.26	0.33	0.93	0.96	0.74

Source: U.S. Bureau of Labor Statistics: 1987 Consumer Expenditure Survey

Differences in hosiery spending patterns by regions of the U.S. are noted in the BLS interview surveys in 1987. The following from the 1987 annual report shows that spending for men's hosiery is considerably above average per consumer unit in the West, but the South registers the highest average expenditure, and the biggest quarterly average of purchasing households.

Spending Patterns of Consumer Units For Hosiery By Region: 1987

	U.S.	Northeast	Midwest	South	West
Distribution of consumer units	100.0%	21.0%	25.5%	33.2%	20.3%
Hosiery type					
Men's (16 & over):					
Average expenditure*	$ 5.58	$ 5.52	$ 5.39	$ 4.70	$ 7.34
% reporting	10.44%	9.78%	11.42%	9.51%	11.45%
Boys' (2-15):					
Average expenditure*	2.06	2.25	1.98	1.80	2.36
% reporting	4.68	3.99	4.89	4.81	4.94
Women's (16 & over):					
Average expenditure*	25.06	24.31	21.43	26.94	21.29
% reporting	30.69	29.46	29.68	32.42	30.39
Girls' (2-15):					
Average expenditure*	2.65	2.52	2.96	2.51	2.62
% reporting	5.97	5.25	6.53	6.24	5.56
Children under 2:					
Average expenditure*	0.42	0.38	0.61	0.42	0.22
% reporting	0.58	0.45	0.77	0.64	0.38

* Based on all households, including both purchasers and non-purchasers.

Source: U.S. Bureau of Labor Statistics: 1987 Consumer Expenditure Survey

RETAIL SALES

Available statistics on hosiery sales are limited to trade sources and to information collected on consumer expenditures through tracking studies by private research companies (NPD Research, Port Washington, NY and MRCA Information Services, Stamford, CT). Retail sales data on hosiery is not issued by the Census Bureau.

Based on available information, annual retail volume in the U.S. in hosiery of all types is estimated at about $5.5 billion, divided as follows: women's--$3.1 billion; men's--$1.2 billion; boys'--$407 million; girls'/children's--$742 million.

Women's Pantyhose/Hosiery

Women's hosiery, as noted above, clearly dominates the scene, accounting for roughly 56% of total sales. Growth in dollar volume in recent years, however, was adversely affected by the growing popularity of socks and casual legwear among women at the expense of higher priced pantyhose and sheer stockings. Faster growth in sales by discount outlets and greater durability of hosiery with the use of spandex have also contributed to a slowdown in dollar sales growth.

There was a pickup in pantyhose sales in 1989, following a decline in 1988, according to MRCA. But sales of women's socks registered the strongest growth.

Retail Sales of Women's Hosiery By Type: 1987-1989

	% of Total			% Change in Dollar Volume	
	1989	1988	1987	1989/88	1988/87
Women's hosiery, socks, etc.	100%	100%	100%	2.0%	1.1%
Pantyhose	62	61	63	3.0	- 1.2
Socks	16	16	15	7.8	6.9
Leotards/tights	11	12	10	- 5.4	16.4
Knee highs, anklets	7	7	8	- 4.8	-14.1
Stockings	4	4	4	- 2.4	10.4

Source: MRCA Information Services

At the retail level the women's hosiery market is two tier, with higher priced fashion lines generally sold in department stores and women's apparel specialty stores. The mass market for lower priced lines (reported to account for roughly 53% of pantyhose sales) are the bailiwick of discount stores, supermarkets and drug stores. Spanning both tiers are the growing number of mail order operations offering hosiery, from first-quality designer lines (such as Pennaco's mail/telephone shopping service for Round the Clock and Givenchy legwear) to seconds, irregulars and over-runs (such as Sara Lee Corporation's catalogs on L'eggs and Hanes off-price hosiery).

Women's Pantyhose/Hosiery (continued)

According to the Retail Market Monitor: 1986-1988, published by the National Retail Merchants Association, the mail order segment of women's hosiery sales hit $265 million in 1988, up from $262 million in 1987, and $242 million in 1986. The 1988 figure was about 9% of the estimated women's hosiery total compiled by this source.

L'eggs Products was a major factor in the development of hosiery business in such non-traditional outlets as supermarkets, when it entered the market 20 years ago with a lowcost pantyhose packed in a plastic egg. L'eggs (owned, along with Hanes, by Sara Lee) is now the largest selling mass hosiery brand, carried in more than 100,000 stores, according to Advertising Age (November 27, 1989), helping Sara Lee garner its 42% share of the domestic pantyhose market.

L'eggs brands, including Just My Size and Hanes Underalls, command a 52.2% dollar share of the mass market and a 42.5% unit share, according to Ad Age. L'egg's closest competitor in this market is Kayser Roth (owned by Wickes) with its No Nonsense and Sheer Indulgence brands, which are reported by Ad Age to have a combined 25.5% dollar share and a 25.3% unit share of mass market pantyhose business.

Sales growth in pantyhose began to slow in the mid-1980s. Unit volume growth has been less than 1% a year in the past five years, according to an executive of Kayser Roth. The slowdown is attributed to factors related to changing consumer tastes and emphasis on casual dress, which doesn't require sheer hosiery. Improved product durability, brought about by more sophisticated knitting techniques and long lasting fibers such as spandex, has extended the retail replacement cycle.

Growth overall in pantyhose is projected at the rate of growth in the U.S. adult female population--about 1% a year in the next few years. However, premium products are expected by the industry to be in the forefront. In 1988, both L'eggs and Kayser Roth introduced upscale brands for the mass market, to sell at price points above average for these stores. L'eggs Products extended its Sheer Elegance Line to include Sheer Elegance Silken Mist made of 10 denier Lycra spandex. Kayser Roth's upscale line is Sheer Indulgence. Supermarkets looked to these additions to stimulate lagging pantyhose sales, which were reported by Progressive Grocer to be at $566 million in 1988.

Department stores currently account for slightly more than 15% of women's hosiery dollar sales and about 10% of units (Stores magazine, April 1990). These stores and women's specialty stores will benefit from the new fashions in 1990 which feature the leg. Short hemlines--even tunics and big sweaters to be worn without a bottom--will be strongly promoted for Fall, broadening demand for higher-ticket legwear, including opaques and sheers, textures and patterns, and colors in pantyhose and tights.

Women's Pantyhose/Hosiery (continued)

Designers are readying new lines to fit this demand, and those stores with strong designer lines in apparel expect to benefit from related hosiery offerings, with names such as Giorgio Armani, Givenchy, Donna Karan, Christian Dior, Calvin Klein, Evan-Picone, DKNY. Private labels, too, will be ready with the new looks. Designer pantyhose/tights are reported to account for as much as 20-25% of sales at many department stores.

New fabrications utilizing Lycra will be prominent in new offerings. Calvin Klein silk and Lycra sheers are reported to be sell-outs, and a one-piece opaque body stocking of nylon/Lycra will soon be launched. Cotton/Lycra tights are also viewed as a growing classification.

Girls' Hosiery

Retail sales of girls' and children's hosiery are estimated at about $742 million in 1989, based on available data; and the bulk of this business is done in socks, leotards and tights. The growth in this market should follow population growth noted in the rise in birth totals in recent years.

The trend in consumer purchases in recent years has been as follows, based on household purchases tracked by MRCA.

Purchases of Girls' Hosiery By Type: 1987-1989

	% of Total			% Change in Dollar Volume	
	1989	1988	1987	1989/88	1988/87
Girls's hosiery, socks, etc.	100%	100%	100%	9.3%	9.7%
Socks	48	48	52	9.9	1.9
Leotards/tights	43	42	38	13.6	21.2
Pantyhose	8	9	8	-14.0	22.5
Knee highs, anklets, stockings	1	1	2	-26.5	-52.0

Source: MRCA Information Services

Boy's Hosiery

Although young boys outnumber girls, the average price paid for their hosiery is generally much less, and the total retail market is estimated at under $500 million in 1989. Socks of all types are the product, and MRCA indicates that the value of consumer spending for boys' socks in 1989 fell over 1% below the 1988 level, following a gain of about 9% in 1988.

RETAIL SALES

The Sock Market

Casual lifestyles, along with the growth in participation in active sports and fitness, has led to the sharp growth in the consumer market for socks of many varieties (casual, athletic, work, outdoor, support, etc.) for men, women, boys and girls. Socks are now generally merchandised as a separate category of hosiery to capture the widest appeal and maximize exposure to customers of new colors, styles, fabrications and labels. Chains of specialized sock shops have mushroomed throughout the country.

A detailed analysis of the sock market in 1987 was compiled by DuPont. It showed that 1.6 billion pairs were sold, with a dollar value of $2 billion in that year. Based on purchase tracking studies by MRCA Information Services, unit purchases of socks in 1989 were about 10% over the 1987 level, with dollar expenditures up over 15%.

Men still constitute the largest market in both units and dollars, but the data on men's socks includes dress styles as well as casual and athletic socks. The fastest growth in the latter types has been in women's and girls' socks. Unit sales of women's socks were up 13% over 1987; dollars were up about 12%, based on MRCA data.

According to DuPont, half of both men's and women's sock sales are to the 23 to 49 year old age group. A summary of their findings in the 1987 study follows.

The Total Sock Market: 1987

(Quantity in millions of pairs; value in millions of dollars)

	Quantity	Retail Value	Average Price
Socks, total	1,596.9	$ 2,056.0	$ 1.29
Men's	720.9	1,035.1	1.44
Women's	327.5	464.4	1.42
Boys'	316.0	297.7	0.94
Girls'	232.5	258.8	1.36

Source: DuPont Co.: Sock Market Trends (STORES, May 1989)

U.S. consumers spent $500 million for athletic socks in 1987, according to a trade source, and a 12% increase was expected in 1988 (Footwear News, July 25, 1988). A 1988 study by Monsanto indicated that athletic socks make up about half of total sock sales, not including men's dress socks.

Women are credited with accounting for more than half of the sales growth in athletic socks in the past three years. About 66% of athletic styles are sold for use other than sports-related activities, and most purchases by women are considered a status symbol, rather than for active wear.

Chains and discounters account for the majority of sock sales in all segments, but customers in the $40,000-plus income category are frequent shoppers at the department and specialty stores, paying more than average prices for the latest offerings in fashion merchandise.

The Sock Market (continued)

Stimulated by the rapid introduction of styles and novelties in casual/athletic socks, which can be displayed to quickly attract customers, specialized sock shops became the fastest growing specialty chain operation in the U.S. in recent years, with sales averaging from $500 to $1000 per square foot. These stores emphasized convenience and service, plus a broad, accessible selection of socks. The biggest part of the hosiery industry, pantyhose, could not be ignored, and the specialty shops for the most part added these to their stocks, others also carried some accessories or jewelry.

The idea for a specialized sock shop was developed in England. Sock Shop International was opened in London in 1983, and after five years, it reached a volume of $45 million. The company entered the U.S. in December 1987. With 15 stores in Manhattan, two in regional malls, the operation was reported to have a volume of $7-to-$8 million by 1988.

Unfamiliarity with the U.S. market and particularly with problems peculiar to retailing in Manhattan--high costs for rent, security, heating/air conditioning etc.--helped bring about the demise of Sock Shop. Cost got out of hand while sales slipped, and in December 1989 Sock Shop closed all of its U.S. stores. However, the operation may be revived under new ownership.

Other specialized sock retailers are in operation, however, including Sock Express and Leg Room, based in New York; Sox Appeal based in Minneapolis, MN; This Little Piggy, Ltd., Glencose, IL, and Sock Market, Des Moines, IA. While the proliferation of these businesses may lead to further shakeouts, industry sources say the convenience, selection and personalized service that department stores generally lack are the draws that will keep the format thriving along with continued growth in demand for socks.

Men's Socks

Retail sales of men's socks of all types were estimated at $1.0 billion in 1987, according to the DuPont Co. study. Purchase tracking data indicates volume in 1989 was up about 20% over the 1987 estimate.

While basics account for most of the men's dress sock business, men's fashion socks (patterned and colorations) have become accepted and are said to account for most of the sales gains. Department stores and men's specialty stores have expanded fashion business through their private labels and through designer names, such as Christian Dior (produced by Camp Hosiery), Perry Ellis (Trimfit) and Armani. This business has enabled stores to trade up, so dollars are up more than units.

Dress fancies have dual uses which customers appreciate. They are worn both for dress and casual wear, as are casual socks. Department stores have been doing well with dress fancies, which account for 30% or more of men's hosiery business in some stores. They can be offered in a variety of fabrications, with the use of acrylic an aid in keeping prices affordable.

Gold Toe (Cluett, Peabody), the leading men's hosiery brand, has aggressively developed fashion hosiery--although basics account for 60% or more of their total volume--widening distribution beyond department stores in the process, and getting into private label arrangements. Private labels are welcomed by department stores as a competitive edge over discounters which are the major outlet for men's hosiery.

RETAIL MERCHANDISING & OPERATING RESULTS

Women's Hosiery Departments

The National Retail Merchants Association compiles an annual report on merchandising and operating results by merchandise classifications in specialty stores (women's and family apparel stores) and department stores by total store sales volume groups. The following are median results based on actual dollar data submitted to the NRMA by cooperating companies.

Women's Hosiery Department Merchandising & Operating Results: 1988
In Specialty Stores and in Department Stores
(Selected median results)

WOMEN'S/FAMILY SPECIALTY STORES	All Specialty Stores	Specialty Stores with Total Sales Over $20 Mil.)
Number of Companies Reporting	13	8
Cumulative markon %	51.4	51.4
Markdowns - % of net sales*	13.8	8.9
Gross margin (incl. cash discounts) and workroom costs) % of net sales	45.3	46.4
Stock turns (times) at retail	2.8	2.8
Net sales % change from 1987	8.0	6.8
Net sales % of total store	2.0	1.9
$ sales per sq. ft. of selling space (main or largest selling unit)	$ 156.0	$ nr

DEPARTMENT STORES	All Department Stores	Department Stores with Total Sales $100-$300 Mil.
(Number of Companies Reporting)	48	11
Cumulative markon %	50.3	50.4
Markdowns - % of net sales*	9.3	8.8
Gross margin (incl. cash discounts and workroom costs) % of net sales	45.8	45.1
Stock turns (times) at retail	2.7	2.8
Net sales % change from 1985	10.9	4.7
Net sales % of total store	1.6	1.6
$ sales per sq. ft. of selling space (main or largest selling unit)	$205.5	nr
Advertising expense, % of net sales	2.1	nr

* Includes employee discounts.
nr not reported

Source: National Retail Merchants Association (now the National Retail Federation):
Department Store & Specialty Store Merchandising & Operating Results in 1988

RETAIL MERCHANDISING & OPERATING RESULTS

Men's Hosiery Departments

Based on responses in a mail survey among men's wear stores on operating experiences by merchandise classification in 1988, the following are selected results on men's hosiery. The figures reported below are medians for reporting firms, designed to serve as a guide for retailers rather than represent total industry performance.

Typical Operating Results in Men's Hosiery in Men's Wear Stores: 1988
(Median results)

	Total Reporting Firms		Firms Handling Men's Wear Only		Firms Handling Women's Wear	
Men's hosiery:						
% to total furnishings sales	6.7	(78)	7.2	(35)	6.1	(43)
% to total store sales	1.2	(86)	1.4	(37)	1.0	(49)
% change in sales 1986/1985	8.6	(75)	7.4	(32)	8.7	(43)
Markdowns-% of sales/1988/87	5.5	(64)	7.0	(23)	5.5	(40)
Inventory turnover	2.0	(50)	1.5	(19)	2.1	(31)

Note: Figures in parentheses are the numbers of firms reporting data.

Source: Menswear Retailers of America:
MRA Annual Business Survey
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RETAIL ADVERTISING PATTERNS (Monthly)

The pattern in newspaper advertising run by retailers in 1984, 1986 and 1988, as tracked by the Advertising Checking Bureau, follows.

Women's Hosiery Ad Linage in Newspapers: 1984, 1986, 1988
(Percent of annual total by months)

	Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1984	100.0%	9.3	11.2	8.4	8.2	9.5	2.8	6.4	5.9	11.6	10.6	8.6	7.5
1986	100.0%	6.2	7.6	11.6	9.3	6.1	3.7	4.2	6.0	13.0	15.4	8.6	8.3
1988	100.0%	4.3	7.6	11.8	8.5	7.4	2.0	4.6	4.8	11.0	12.1	9.9	16.0

Source: Newspaper Advertising Bureau, Inc.:
Newspaper Advertising Planbooks, based on
ACB, 1984, 1986, 1988

CONSUMER BUYING PATTERNS

Seventeen Magazine conducts mail surveys among members of their Consumer Panel to develop information on buying patterns. In April 1989, a survey including hosiery was conducted among 2,000 panel members representing a cross section of the female population age 13-21 market. The following patterns were developed from 715 returned questionnaires.

On average, hosiery is purchased about every two months, and almost all respondents had purchased hosiery in the last 12 months.

Types of Hosiery Purchased in the Last 12 Months And Average Number of Each Type Bought

	Types Bought	Average Number Bought
Total respondents*	100.0%	7.0 pairs
Pantyhose	98.4	6.7
Knee-highs	48.8	6.0
Tights	25.4	2.5
Thigh-highs	16.1	2.7

Types of Hosiery: Sheer or Opaque Purchased in the Last 12 Months

	Pantyhose	Knee-highs	Tights	Thigh-highs
Total respondents*	100.0%	100.0%	100.0%	100.0%
Sheer	95.8	86.8	36.5	89.8
Opaque	25.8	26.0	73.2	21.5

Place of Purchase of Hosiery

	%
Total respondents*	100.0%
Sears/Ward/Penney	25.0
Department stores	35.8
K mart	14.4
Other discount/variety stores	25.4
Drug stores	28.5
Supermarkets	27.9
Apparel specialty stores, boutiques, lingerie stores	22.9
Catalogs	8.4
Other	1.8

* Base is number purchasing any hosiery in the past 12 months. Adds to more than 100% due to multiple mentions.

Source: SEVENTEEN Research: Intimate Apparel Survey, 1989

CONSUMER BUYING PATTERNS

An on-going study among a representative national sample of 11,500 households which tracks purchases of hosiery on a monthly basis is conducted by the NPD Group, Port Washington, New York. The following data based on 1989 and 1988 reported purchases has been supplied by KSA/NPD Purchase Panel, a joint venture of Kurt Salmon Associates and the NPD Group.

Distribution of Hosiery Purchases For Household Members Age 3 Years & Older: 1988, 1989

	Purchases (thous.) 1989	Purchases (thous.) 1988	% of Total 1989	% of Total 1988	% Change 1989/88
Projected total	$4,999	$4,874	100.0%	100.0%	2.6%
Women's (age 14+) hosiery	2,975	2,959	59.5	60.7	0.5
Socks	761	681	15.2	14.0	11.7
Pantyhose, other hosiery	2,214	2,278	44.3	46.7	- 2.8
Girls' (age 3-13) hosiery	358	305	7.2	6.2	17.4
Socks	312	259	6.2	5.3	20.5
Other hosiery	46	46	1.0	0.9	--
Men's (age 17+)	1,257	1,207	25.1	24.8	4.1
Boys' (age 3-16)	409	403	8.2	8.3	1.5

Purchases By Type of Hosiery For Women & Girls: 1988, 1989

(Percent of Units)

	1989	1988	% Change 1989/88
Women's hosiery	100.0%	100.0%	
Pantyhose	50.8	53.2	- 2.4%
Stockings/sheer knee-highs	20.3	19.3	1.0
Socks, anklets, non-sheer knee-highs, etc.	29.0	27.6	1.4
Types of women's socks & other non-sheer hosiery:			
Total	100.0	100.0	
Anklets	60.4	58.3	2.1
Crew/calf	18.6	16.1	2.4
Foot/ped	4.6	6.7	- 2.1
Knee-highs	9.1	12.7	- 3.6
Other	7.3	6.2	1.2
Girls' hosiery	100.0	100.0	
Socks	87.1	84.0	3.1
Other hosiery	12.9	15.6	- 2.8
Types of girls' socks and other non-sheer hosiery:			
Total	100.0	100.0	
Anklets	68.3	67.4	0.9
Crew/calf	19.9	16.9	3.0
Food/ped	0.5	1.4	- 1.0
Knee-highs	6.6	10.3	- 3.7
Other	4.8	3.8	1.0

Source: KSA/NPD Purchase Panel

Purchases of Hosiery For Women & Girls By Outlet Type & By Price Points 1988, 1989

(Percent of Units)

	Women's Pantyhose		Women's Socks		Girls' Socks	
	1989	1988	1989	1988	1989	1988
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Outlet type:						
Discount outlets	22.7	25.5	55.7	54.4	60.1	61.9
Grocery, drug stores	29.1	28.4	4.6	5.6	1.8	3.2
Nat'l. chains, mass mer.	6.7	6.9	5.9	7.0	13.6	12.6
Specialty stores	9.8	9.1	7.7	7.9	6.6	6.8
Department stores	5.7	5.7	8.1	8.0	5.9	4.9
Other	26.0	24.4	18.0	17.1	12.0	10.6
Total	100.0	100.0	100.0	100.0	100.0	100.0
Price points:						
Under $.50	4.2	3.9	7.9	11.2	8.6	11.5
$0.50 - $0.74	5.8	7.5	14.6	15.0	17.3	17.5
$0.75 - $0.99	14.6	14.8	22.8	25.6	30.0	35.0
$1.00 - $1.49	18.5	19.7	26.4	22.8	25.3	20.9
$1.50 - $1.99	20.1	21.4	13.8	13.5	10.7	8.3
$2.00 - $2.49	11.8	11.2	5.4	5.0	2.9	2.9
$2.50 & over	25.1	21.5	9.1	6.8	5.1	3.9

Purchases of Hosiery For Men & Boys By Type of Sock, Outlet Type & Price Points: 1988, 1989

(Percent of Units)

	Men's		Boys	
	1989	1988	1989	1988
Total	100.0%	100.0%	100.0%	100.0%
Athletic socks	37.8	37.1	55.3	54.2
Casual socks	20.9	21.9	33.2	33.6
Dress socks	23.6	24.6	4.2	5.5
Work socks	12.5	11.5	0.8	0.9
Other socks	5.1	4.9	6.4	5.8
Outlet type:	100.0	100.0	100.0	100.0
Discount outlets	51.8	50.2	63.5	61.3
Nat'l. chains, mass merchandisers	11.3	14.0	12.6	14.9
Department stores	10.7	8.7	7.5	6.1
Grocery, drug stores	2.9	3.1	2.4	2.2
Specialty stores	2.7	2.7	2.5	3.0
Other	20.6	21.3	11.5	12.4
Price points:	100.0	100.0	100.0	100.0
Under $.50	7.2	7.9	7.9	11.0
$0.50 - $0.74	11.8	12.3	28.1	22.6
$0.75 - $0.99	27.2	26.6	38.4	39.7
$1.00 - $1.49	23.0	24.9	17.6	18.4
$1.50 - $1.99	12.7	12.9	4.3	4.1
$2.00 - $2.49	5.1	5.2	1.1	1.8
$2.50 & over	13.0	10.2	2.6	2.4

Source for above tables: KSA/NPD Purchase Panel

SCHEDULE OF ADDITIONAL FACT FILES

Statistical Analysis of Retailing (A Fact File Special Edition): A detailed statistical summary of retail trade in the U.S. based on the findings in the 1987 Census of Retail Trade issued by the U.S. Census Bureau in 1989. Includes information on the number of outlets by store type, sales, market shares by type of major merchandise classification, geographical changes, etc.

The Children's Market: Infants', Toddlers', Girls' and Boys' (Apparel, Juvenile Products, Toys/Dolls): Covers demographic trends affecting this market, including births, population projections by age, and characteristics of households with children. Includes detailed information on the U.S. children's wear industry, including production and shipments, foreign trade and price trends. Also covered are market trends for juvenile products (cribs, strollers, etc.) and for toys, games and dolls.

Consumer Market Developments: An overview of all facets of the consumer market. Within the framework of population and income groups, the markets for children's products, for young adults and for the mature are defined in terms of numbers and buying power. Trends and projections are included as well as an analysis of developments that are shaping the U.S. consumer market--living arrangements, households, working women, marriage and birth rates, etc. Trends in personal consumption expenditures are also covered.

Department Store Sales: Outlines ownership change/ reorganizations in the past year affecting major department and specialty stores. Buying headquarter locations of stores are listed with information on sales and number of outlets included in this total. Notes are included on plans to open and/or close stores. Sales and outlet information is separately listed for corporate headquarter and for national chains.

Dresses and Washable Service Apparel (Women's, Misses' & Juniors'): At the manufacturer level, provides a statistical profile of the dress industry and the products made within this industry, including dresses, washable service apparel, ensembles, etc. Includes number and size of manufacturers, production, and value of shipments, industry location and trends in employment levels. Analyzed is the governing impact of imports on total U.S. market supply. Retail sales by major type of retail outlet are covered, as well as growth in the size of the consumer market, based on population counts, working women by type of occupation, and more.

Fashion Accessories (Men's, and Women's): Covers developments in the U.S. industry, in imports and in retail sales for fashion accessories, including small leather goods, handbags, millinery, scarves, gloves, belts, jewelry, sunglasses, watches, etc., to the extent that statistical information is available. Included are production and shipments by U.S. manufacturers plus the quantity and value of imports in recent periods. Retail sales in department and specialty stores are reported, as well as summaries of available studies on consumer buying preferences.

Footwear (Men's, Women's, Boys', Girls'): A statistical summary of the U.S. footwear industry and U.S. market. Covers domestic production and shipments, and details trends in imports and their share of the domestic market, with information on major types of footwear. Includes information on sales trends and operating/merchandising results for shoe departments.

Home Textiles & Related Products: Includes the latest statistics on the U.S. industry, including manufacturers of a wide variety of products--bed linens, towels, blankets, comforters, slip covers, pillows, curtains/ draperies and hardware, shades and blinds. Covers the changing competitive nature of the industry through acquisitions of major producers and through consolidation of buying power at the retail level. Includes information on production, shipments and retail sales.

Hosiery/Legwear/Bodywear (Men's, Women's, Boys', Girls'): A comprehensive report on mills making hosiery and related products, including production and shipments, fiber consumption, producer price trends. The growing trend in imports is also covered. At the consumer level, the size of the potential market is measured in terms of population counts and projections and estimates are included on retail sales of major products by type of retail outlet.

Household Appliances, Electric Housewares: Covers a broad range of products included in these two classifications at the manufacturer and at the retail level. Provides a statistical profile of the U.S. industry in terms of number of manufacturers, production, shipments, exports. Imports are detailed, as well as information on export markets. Covers retail sales and merchandising results and information on appliance/radio/TV stores.

Household Furniture and Bedding: Provides an overall view of market trends in the U.S. For the U.S. industry, the report covers statistics on manufacturers, on production and shipments in terms of quantity and value by type of furniture. Trends in the concentration levels in the U.S. industry are reported, as well as in employment and earnings in the industry. Also included is information on the industry in leading states. Consumer market information includes data on characteristics of new housing units (number of rooms); also trends in consumer expenditures for furniture, sales by type of outlet. Details on furniture stores, including the 25 leaders, are also covered.

Men's Clothing and Furnishings: Provides a summary of major market trends in the men's furnishings/work/career apparel area and the tailored clothing areas, as well as in the rainwear area. Covers production and shipment information, employment trends, manufacturer concentration levels, location of the industries. Also examines import/export material. There's a look at the consumer market, plus in-depth details covering the retail level including sales and operating results for men's furnishings/work/career apparel/and tailored wear in both department and men's wear stores.

Men's Sportswear, Casual Wear, Outerwear: The wide variety of men's wear items included are covered from available statistical information on the industry at the manufacturer, retailer and consumer levels. Included is information on production and shipments by domestic producers, imports and exports. The retail market is covered in sales estimates and data on major outlet types, as well as studies of consumer buying practices.

The Sports/Fitness/Leisure Markets: Covers details on U.S. manufacturers in the sporting goods/athletic goods industry, concentrating on products sold through retail outlets such as sporting goods stores and general merchandise stores, as well as functional athletic footwear and apparel. Includes quantity and value of shipments of specified products, concentration of shipments among leading manufacturers, and trends in producer prices. Imports of specified sporting and athletic goods are covered. At the consumer level, data includes statistics and sports participation levels and purchases of specific sports equipment.

Sportswear, Casual Wear, Separates (Women's, Misses' and Juniors'): A statistical view of this segment of the women's wear industry is provided, including data on production and value of shipments, imports of major categories, sales by type of outlet, seasonal patterns, and consumer buying habits.

The Textile/Apparel Industries: Provides an overview of the U.S. textile and apparel industries, their current problems and programs to improve their competitive position in the U.S. market and abroad. Covers a statistical profile of each industry in terms of number of manufacturers, concentration levels, production and shipments, including exports. Trends in imports in terms of quantity and value are detailed, as well as quota developments. Also included is information on plant and equipment expenditures and on mill machinery in place in U.S. mills.

Toiletries, Cosmetics, Fragrances and Beauty Aids: A detailed view of the U.S. industry, leading manufacturers, sales of products for both men and women, trends in industry employment and earnings, advertising expenditures and foreign trade. Consumer expenditures by product are detailed as well as retail sales by outlet type, and consumer buying patterns and usage in regard to specified products.

Women's Inner Fashions: Nightwear, Daywear and Loungewear: An analysis of statistical information available on the industry and market, from manufacturer through to consumer. Includes the latest available data on U.S. production, shipments and exports; and details on imports. Retail sales and operating results in department and specialty stores are covered, as well as trends in producer and consumer prices. Developments in the size of the consumer market and trends in the market are summarized.

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Men's Sportswear, Casual Wear, Outerwear, and Activewear

FAIRCHILD FACT FILE

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Distributed Through
Book Division
Fairchild Fashion Group
Division of Capital Cities Media, Inc.
New York

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Fairchild Book Division

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Standard Book Number: 87005-721-9
Printed in the United States of America

EXECUTIVE SUMMARY

MEN'S SPORTSWEAR, CASUAL WEAR, OUTERWEAR, ACTIVE WEAR

U.S. consumers spent over $21 billion ($21.4) on men's sportswear in 1989, up 7.2% over 1988, while total men's apparel grew by 7.1%.

Men's sportswear represented about 68% of all retail dollars spent on men's outer apparel, up from 67.2% in 1988.

Measured in dollars, major increases in 1988 were in sweaters (20.4%); knit sport shirts (14.1%); shorts (19.8%), sweats/warm-ups (12.6%); swimwear (14.7%) and outercoats/jackets (17.9%). Declines were in woven sport shirts (-1.1%); jeans (-2.0%) and pants/slacks (-1.6%).

Men's sportswear is heavily impacted by imports. Imports share of retail dollars by key items in 1989 were: sweaters 55.6% vs. 52.8% in 1988; knit sport shirts 66.5% vs. 65.5%; men's slacks and jeans, 28.7% vs. 26.6%.

Imports declines in sweats/warmups 35.8% vs. 36.5% in 1988; swimwear 54.2% from 65.2% a year earlier.

At the producer level, shipments of domestic manufacturers of men's sportswear totaled $9.1 billion vs. $8.2 billion in 1987--up 10%.

Consumer Purchases Men's Sportswear, 1987-1989
(M Total $)

	1987	1988	1989	% Change 1988/87	% Change 1989/88
Men's sport shirts & sweaters, total	7,098	7,157	8,018	0.8%	12.0%
Woven sport shirts	2,472	2,424	2,827	- 1.9	- 1.1
Knit sport shirts	2,403	2,477	2,827	3.1	14.1
Sweaters	1,637	1,618	1,948	- 1.1	20.4
Other	586	638	846	8.9	32.6
Men's jeans, pants/slacks and shorts, total	7,072	7,470	7,526	5.7	0.7
Jeans	2,784	2,941	2,883	5.6	- 2.0
Pants/slacks	3,189	3,341	3,288	4.8	- 1.6
Shorts	706	763	917	8.4	19.8
Other	393	425	437	8.1	2.9
Outerwear/jackets	2,454	2,631	3,102	7.2	17.9
Sweats & warmups	1,233	1,371	1,544	11.2	12.6
Swimwear	142	143	164	0.7	14.7
Other	1,134	1,126	1,098	- 0.7	- 2.5
Total outer apparel	19,133	19,898	21,452	4.0	7.2
Total apparel	28,535	29,609	31,699	3.8	7.1
Spending percent	67.1%	67.2%	67.7%		

Source of Consumer Purchase Data: KSA/NPD Purchase Panel

MEN'S SPORTSWEAR OVERVIEW

Sportswear is by far the largest and fastest growing category of men's apparel consumed in the United States. In 1988 sportswear accounted for 65% of domestic shipments and 70% of total shipments including imports. From 1982 to 1988, total domestic shipments of sportswear increased by 28.8%.

The Sportswear classification includes separate dress and sport trousers, jeans and jeans-cut casual slacks, woven & knit shirts, non-tailored jackets and sweaters. Activewear is an important subdivision of sportswear (and the sector which has been growing the fastest), although it is difficult to make a clear separation between "active" and "casual" sportswear.

Men's Apparel Overview - Domestic Shipments
The Long Term Trend - Figures in Millions of Dollars

	1982 $	% of Total	1987 $	% of Total	1988 $	% of Total	% Change 1988/87
SPORTSWEAR							
Casual sportswear							
Separate dress & sport trousers	1,564		1,440		1,558		
Jeans & jean-cut casual slacks	1,908		2,242		2,312		
Woven sport shirts	382		349		455		
Knit sport shirts	1,268		1,773		2,099		
Non-tailored jackets	700		764		749		
Sweaters	362		345		367		
Total	6,184	56%	6,913	55%	7,540	54%	9.0%
Activewear							
Swimwear	118		78		99		
Sweatshirts & warm-ups	476		906		1,049		
Ski wear	63		(D)		46		
Team sports	80		98		122		
Other (incl. shorts)	157		259		260		
Total activewear	894	8%	1,341	11%	1,576	11%	10.0
TOTAL SPORTSWEAR	7,078	64%	8,254	66%	9,116	65%	
BUSINESS AND DRESS WEAR							
Suits	1,098		1,219		1,404		
Sportscoats*	924		1,003		1,035		
Overcoats	120		106		100		
Dress shirts	749		795		985		
Rainwear	117		124		127		
Total	3,008	27%	3,247	26%	3,651	26%	12.0
WORKWEAR							
Work pants & coveralls	615		599		765		
Work shirts	243		337		376		
Washable service apparel	102		118		70		
Total	960	9%	1,054	8%	1,211	9%	15.0

(footnotes and source after following table)

MEN'S SPORTSWEAR OVERVIEW

Men's Apparel Overview - Domestic Production Plus Imports
Figures in Millions of Dollars

	Domestic		Imports	Total of both	
	1988 $	% Value	1988 $	Value $	% Value
SPORTSWEAR					
Casual Sportswear					
Separate dress & sport trousers***	1,558				
Jeans & jean-cut casual slacks	2,312		1,831****		
Woven sport shirts	455				
Knit sport shirts	2,099		2,371*****		
Non-tailored jackets	749		948		
Sweaters	367		733		
Total Casual	7,540	54%	5,883	13,423	63%
Activewear					
Swimwear	99		30		
Sweatshirts & warm-ups	1,049		na		
Ski wear	46		na		
Team sports	122		na		
Other (incl. shorts)	260		na		
Total	1,576	11%	30	1,607	7%
TOTAL SPORTSWEAR	9,116	65%	5,913	15,029	70%
BUSINESS AND DRESS WEAR					
Suits	1,404		392		
Sportscoats	1,035		272		
Overcoats	100		na		
Dress shirts	985		913**		
Rainwear	127		na		
Total	3,651	26%	1,577	5,228	24%
WORKWEAR					
Work pants & coveralls	765		na		
Work shirts	376		na		
Washable service apparel	70		na		
Total	1,211	9%	na	1,211	6%
GRAND TOTALS	13,978	100%	7,490	21,468	100%

*Sportscoats could be included in the sportswear classification but such apparel is ordinarily made in tailored clothing plants. Production is shifted from suits to sportcoats in response to demand.

**Imports of dress shirts are not separately reported from woven sport shirts. The import estimate is simply prorated on the basis of domestic consumption.

***The separate dress and casual slacks classification includes some tailored dress slacks which are often manufactured in tailored clothing plants. The distinction between dress and casual slacks is blurred. Roughly 25% of the unit volume might be classified as "dress" slacks.

****The import data available does not distinguish between slacks & jeans.

*****Import data combines woven & knit sport shirts.

Source: U.S. Bureau of the Census:
Current Industrial Reports: Apparel MA23A(88)1

MEN'S SPORTSWEAR OVERVIEW

The two related tables shown above clearly establish the overriding importance of sportswear in the apparel scene. In recent years the major growth in sportswear has taken place in the activewear category although the data available to support this is flawed. Census figures far under-report the volume of activewear, because a great deal of active sportswear is never actually used in active sports.

This raw, overview data also shows that imports have been primarily concentrated in the sportswear sector. Imports of woven and knit sport shirts account for roughly 50% of domestic consumption. Imports of non-tailored jackets and sweaters greatly exceed domestic production. The dollar volume of imported slacks approximates 34% of domestic consumption. The only area in which imports have not penetrated deeply is in the fleece classification: sweat shirts and warm-ups. Most of the domestic production of these products takes place in integrated plants which are more resistant to import penetration.

GENERAL INDUSTRY STATISTICS

PRODUCTION

At the Manufacturing Level

A complete census of all U.S. manufacturers is compiled every five years by the U.S. Bureau of the Census. Data included in this Fact File is based on data from the 1982 and 1987 Censuses of Manufactures plus figures from the 1988 Current Industrial Report for the Apparel Industries.

The five-year censuses are considered more reliable because reporting is required by law and the data covers all known producers with one or more employees. The Current Industrial Reports, produced each year, are based on a sample of manufacturers to provide key measurements of manufacturing activity during intercensal periods. However, the 1988 CIR reflects additions made to industry population based on the 1987 findings.

Men's sportswear/casual wear is not a distinct, separately reported industry. Merchandise of this type is combined in several industry classifications under the Standard Industrial Classification system, on which the following tables are based. The sections covering available data on specific product classifications are found on pages 14 through 30.

Men's & Boys' Separate Trousers (SIC 2325)

	1988	1987	1982	% Change 1987/82
Number of companies	na	311		
Number of establishments**	na	481	DATA NOT COMPARABLE	
With 20 or more employees	na	415		
Total employment (thous.)	94.5	94.2		
Production workers (thous.)	82.8	83.2		
Payroll (mil. $)	na	$1,127.0		
Value added by manufacture (mil. $)#	$ na	$3,314.6		
Value of industry shipments (mil. $)##	$6,161.0	$6,059.2		
Capital expenditures, new (mil. $)	$ na	$ 74.6		

(continued)

GENERAL INDUSTRY STATISTICS

PRODUCTION

Men's & Boys' Shirts (SIC 2321*)

	1988	1987	1982	% Change 1987/82
Number of companies	na	455	535	- 15.0%
Number of establishments**	na	585	741	- 21.1
With 20 or more employees	na	470	560	- 16.1
Total employment (thous.)	71.6	77.6	88.7	- 12.5
Production workers (thous.)	61.8	68.3	76.0	- 10.2
Payroll (mil. $)				
Value added by manufacture (mil. $)#	$ na	$2,143.7	$1,785.5	20.0
Value of industry shipments (mil. $)##	$4,174.0	$4,027.9	$3,477.7	15.8
Capital expenditures, new (mil. $)	$ na	$ 51.9	$ 37.2	39.5

Men's & Boys' Clothing, n.e.c. (SIC 2329*)

(Includes sweaters, non-tailored jackets, shorts, & sportswear)

	1988	1987	1982	% Change 1987/82
Number of companies	na	539	575	- 6.3%
Number of establishments**	na	608	646	- 5.9
With 20 or more employees	na	386	386	0
Total employment (thous.)	na	50.1	44.6	12.3
Production workers (thous.)	na	43.7	38.6	13.2
Payroll (mil. $)	na	$ 595.1	$ 432.8	37.5
Value added by manufacture (mil. $)#	na	$1,272.7	$ 931.3	36.7
Value of industry shipments (mil. $)##	$2,150.6	$2,208.5	$1,658.3	32.2
Capital expenditures, new (mil. $)	na	34.0	$ 18.3	85.7

Knit Outerwear Mills (SIC 2253*)

(Including Men's, Women's, Children's)

	1988	1987	1982	% Change 1987/82
Number of companies	na	811	896	- 9.5%
Number of establishments**	na	824	923	- 10.7
With 20 or more employees	na	440	482	- 8.8
Total employment (thous.)	na	59.0	66.8	- 11.7
Production workers (thous.)	na	50.6	55.9	- 9.5
Payroll (mil. $)	na	$ 838.4	$ 741.4	- 13.1
Value added by manufacture (mil. $)#	na	$1,677.8	$1,704.8	- 2.6
Value of industry shipments (mil. $)##	$ na	$3,255.2	$3,182.4	2.2
Capital expenditures, new (mil. $)	na	94.0	$ 53.5	75.7

(continued)

GENERAL INDUSTRY STATISTICS

PRODUCTION

Leather & Sheep-lined Clothing (SIC 2386*)
(Including Men's, Women's, Children's)

	1988	1987	1982	% Change 1987/82
Number of companies		127	186	- 31.7%
Number of establishments**		128	186	- 31.2
With 20 or more employees		31	52	- 40.0
Total employment (thous.)		2.1	4.3	- 51.0
Production workers (thous.)		1.6	3.6	- 56.0
Payroll (mil. $)		$ 32.8	$ 48.9	- 33.0
Value added by manufacture (mil. $)#		$ 89.7	$ 95.7	- 6.3
Value of industry shipments (mil. $)##	$ 215.0	$ 197.6	$ 221.3	- 10.7
Capital expenditures, new (mil. $)	$	$ 0.9	$ 0.9	0

na not available n.e.c. not elsewhere classified

* Manufacturing establishments (plants) are classified by industry under the Standard Industrial Classification System (SIC), determined by the principal product made, as shown below:

SIC 2329 covers plants specializing in the production of men's and boys' heavy outerwear coats and jackets, swimwear and athletic shorts, ski and snow pants and other outerwear not elsewhere classified made in cut-and-sew plants.

SIC 2253 covers mills primarily engaged in knitting outerwear (men's, women's, children's) from yarn or in manufacturing outerwear from knit fabric produced in the same mill.

SIC 2386 covers plants primarily engaged in manufacturing leather and sheep-lined garments for men, boys, women and children.

SIC 2321 covers plants primarily engaged in the manufacture of men's, youths' and boys' shirts (including dress, polo and sport shirts, but not including work shirts). In the 1982 Census of Manufactures, nightwear was also included in the SIC but this has now been transferred to the underwear classification (SIC 2322). Nightwear, made from purchases woven or knit fabric, accounted for only $151.3 million dollars in 1982 and $212 million in 1987. Therefore the shirt figures for the two major census years are roughly comparable.

SIC 2325 covers establishments primarily engaged in the manufacture of men's, youths' and boys' separate trousers and slacks. This represented a change from the prior SIC 2327, however 2327 will continue to be used for all data prior to 1987. In the years prior to 1987, Boys' Dungarees and Jeans were reported in the work clothing classification SIC 2328 but are now shown in the new SIC 2325. Therefore the data for 1987 is not comparable, in total, for that in 1982, although figures for boys' production are separately reported.

**Each manufacturing location is counted as a separate establishment (plant). Auxiliary locations (such as sales offices, warehouses, etc.) are not included in the above tables.

(continued)

GENERAL INDUSTRY STATISTICS

#Value added by manufacture is derived by subtracting the cost of products bought for resale without further manufacture, the cost of piece goods and other materials, contract work, etc., from the value of shipments, with adjustments for finished products inventories. It avoids duplication in value of shipment figures which results from the use of products of some manufacturing establishments as materials by others, and is for most purposes the best value measure of individual industries.

##Value of industry shipments includes, along with receipts for contract work, all items made by or for each establishment from materials owned by it, and also miscellaneous receipts. It includes both primary products and secondary products made by manufacturers in these industries. The value of primary products alone of these industries, plus the value of shipments of such products by manufacturers classified in other industries are found in the section covering available data on specific product classifications on pages 14 through 30.

Source: U.S. Bureau of the Census:
1987, 1982 Census of Manufactures:
1988 Current Industrial Reports

Trends and forecasts on specific industries are compiled annually by the International Trade Administration, including information on the value of industry shipments on a constant dollar basis (eliminating the effects of inflation) as well as in current dollars, based on the Census Bureau reports. Following are growth rates reported for men's and boys' shirts, separate trousers and leather and sheep-lined clothing.

Percent Change in Value of Industry Shipments In Current and 1987 Dollars

	1987	1988	1989	% Change 1987/88	% Change 1988/89
Value of Shipments in Millions of Current Dollars					
SIC 2321- Men's & boys' shirts	4,028	4,174	4,442	3.6	6.4
SIC 2325- Men's & boys' trousers	5,843	6,161	6,694	5.4	8.7
SIC 2386- Leather & sheep-lined clothing	198	215	229	8.0	6.5
Value of Shipments in 1987 Dollars					
SIC 2321- Men's & boys' shirts	4,028	4,090	4,173	1.5	2.0
SIC 2325- Men's & boys' trousers	5,843	5,984	6,162	2.4	3.0
SIC 2386- Leather & sheep-lined clothing	198	200	208	1.0	4.0
Value of Imports					
SIC 2321- Men's & boys' shirts	5,880	5,790	5,952	-1.5	2.8
SIC 2325- Men's & boys' trousers	1,377	1,515	1,636	10.0	8.0
SIC 2386- Leather & sheep-lined clothing	171	173	179	1.2	3.5

Source: U.S. Department of Commerce:
International Trade Administration: 1988 U.S. Industrial Outlook

GENERAL INDUSTRY STATISTICS

Employment & Earnings

Current information on employment, compiled by the Bureau of Labor Statistics (U.S. Department of Labor), covers broad classifications of men's and boys' wear. Specific data on sportswear/casual wear is not available. However, broad trends are indicative of developments in sportswear.

An analysis of BLS data by the International Trade Commission (1990 U.S. Industrial Outlook) showed employment in the men's shirt industry declining at a compound annual rate of 9.5% in the 1987-88 period, and at a 1.6% rate from 1988/89. In the men's & boys' trouser industry, employment changes were negligible.

As noted below, employment as of April 1987 in the shirts industry was down by 12.5% from the year-ago level, while in the separate trousers industry employment was down by 9.6%. In knit outerwear, employment was steady.

Employment & Earnings in Men's Sportswear/Casual Wear Manufacturing

	1989	1988	1987	1986	% Change 1989/86
Men's & boys' shirts (SIC 2321)					
All employees (thous.)	75.1	76.5	83.5	85.8	-12.5%
Production workers (thous.)	64.5	65.4	71.6	74.1	-13.0
Average weekly earnings	$213.55	$202.39	$196.72	$192.10	11.2
Average hourly earnings	$ 6.91	$ 5.47	5.26	$ 5.15	34.2
Average weekly hours	37.4	37.0	37.4	37.3	0.3
Men's & boys' separate trousers (SIC 2327)					
All employees (thous.)	49.2	49.8	54.4	54.4	- 9.6
Production workers (thous.)	42.4	44.0	43.7	47.7	-11.2
Average weekly earnings	$202.16	$198.93	$196.51	$192.36	5.0
Average weekly hours	36.1	36.5	36.8	36.5	- 1.1
Knit outerwear mills (SIC 2253)					
All employees (thous.)	70.2	70.4	72.1	69.4	1.2
Production workers (thous.)	62.3	62.9	64.1	60.9	2.3
Average weekly earnings	$262.13	$251.52	$254.54	$243.84	7.5
Average weekly hours	39.3	39.3	39.1	38.4	2.3

Source: U.S. Bureau of Labor Statistics:
Employment and Earnings

GENERAL INDUSTRY STATISTICS

Plant Capacity Utilization

Measures of plant capacity utilization as of the fourth quarter are issued annually for specific industries by the Census Bureau. The latest report covering fourth quarter 1988 indicated that plant utilization is up for knit outerwear mills and men's/boy's separate trousers.

The preferred level of capacity utilization is defined as a level, normally between actual operations and practical capacity, which the manufacturer would prefer not to exceed due to costs or other considerations. The preferred utilization rate reported below is the ratio of the actual level of operations to the preferred level.

Preferred Capacity Utilization Rates: Fourth Quarter 1985-1988

	1988	1987	1986	1985	1984
Men's/boys' clothing n.e.c.	na	na	87	83	na
Knit outerwear mills	83	80	95	93	73
Leather & sheep-lined clothing	80	79	75	na	54
Men's/boys' separate trousers	98	na	84	na	na
Men's/boys' shirts	na	96	90	na	na

Source: U.S. Bureau of the Census:
Current Industrial Reports: Survey of Plant Capacity
1988 MC-C1 (88)1

Concentration in the Industry

The 1987 Census of Manufactures provides excellent data on the amount of concentration in men's and boys' sportswear manufacturing. Plants which employ 100 or more employees account for more than 70% of shipments. Concentration is especially high for trousers and slacks at 87.3% and for shirts at 80.4%.

Comparable data from the 1982 Census of Manufactures shows that concentration has grown in both shirts and men's/boys' clothing, n.e.c. The situation with Knit Outerwear Mills remains unchanged. Data on trousers and slacks in the 1982 Census is not comparable with 1987.

GENERAL INDUSTRY STATISTICS

Concentration in the Industry (continued)

Large Plants (Employers) and Their Share of Men's & Boy's Apparel Industry Shipments: 1987

		Number of Plants			Industry Shipments		
SIC	Industry	Total	With 100+ Employees	% of Total	Total (Mil. $)	% By Large Plants*	% of Total
2321	Men's/boys' shirts	585	255	43.5%	$4,187.4	3,369.9	80.4%
2325/7	Men's/boys' trousers & slacks	481	285	59.3	6,059.2	5,289.9	87.3
2329	Men's/boys' clothing n.e.c.	539	153	28.4	2,208.5	1,588.8	71.9
2253	Knit outerwear mills	811	121	14.9	3,255.2	2,368.0	72.7

Source: U.S. Bureau of the Census:
1987 Census of Manufactures:
MC87-1-23A & MC87-1-22B

Shipments from Large Plants Producing Men's & Boy's Sportswear in 1982

		Number of Plants			Industry Shipments		
		Total	With 100+ Employees	% of Total	Total (Mil.$)	% By Large Plants*	% of Total
2321	Men's/boys' shirts	741	301	40.6%	$3,478	2,636	75.8%
2329	Men's/boys' clothing n.e.c.	646	139	21.5	1,658	1,084	65.4
2253	Knit outerwear mills	893	139	15.6	3,188	2,327	73.0

Source: U.S. Bureau of the Census:
1982 Census of Manufactures:
MC82-1-23A & MC92-1-22B

The concentration in knit outerwear mills is lower than in the other sectors because knit outerwear manufacturing enables mills to operate profitably in many small specialized market sectors.

GENERAL INDUSTRY STATISTICS

Concentration in the Industry (continued)

Value of Shipments Originating in Plants which Ship $100,000 or More

	1987			1982		
	No. of Firms	Value of Shipments	% of Value	No. of Firms	Value of Shipments	% of Shipments
Men's & boys' clothing n.e.c., total		2,257			1,623	71.9%
Heavy outerwear jackets	76	439		114	450	
Swimwear	88	414		na	319	
Sweaters	23	47		14	41	
Athletic uniforms	48	172		34	77	
Miscellaneous outerwear	142	633		93	338	
Total of sub-divisions		1,704	76%		1,225	76%

Source: U.S. Bureau of the Census:
1987 & 1989 Censuses of Manufactures

A more complete evaluation of industry concentration by the Census Bureau was published as part of the 1982 Census of Manufactures. This data showed that the leading 20 companies in each classification accounted for a substantial portion of industry shipment. However, there was greater concentration in men's and boys' separate trousers and leather and sheep-lined clothing.

Share of Value of Industry Shipments in Men's & Boys' Held By the Largest Companies: 1982

	Value of Industry Shipments (Mil. $)	Percent Accounted For By the 20 Largest Companies:
Men's & boys' clothing, n.e.c. (SIC 2329)	$1,658.3	38%
Knit outerwear mills (SIC 2253)	3,182.4	45
Leather & sheep-lined clothing (SIC 2386)	221.3	69
Men's & boys' shirts & nightwear (SIC 2321)	3,477.7	48
Men's & boys' separate trousers (SIC 2327)	2,165.4	64

n.e.c. not elsewhere classified

Source: U.S. Bureau of the Census:
1982 Census of Manufactures:
Concentration Ratios in Manufacturing
MC82-S-7

GENERAL INDUSTRY STATISTICS

PRODUCT SHIPMENTS

By State

Value of Shipments By All Producers in Leading States: 1987
(Millions of dollars)

	1987	
	Value	%
Product*		
Men's/boys' knit sport shirts	$1,991.3	100.0%
States		
Alabama	145.9	7.3
California	115.4	5.8
Georgia	130.6	6.6
North Carolina	525.6	26.4
Pennsylvania	128.6	6.5
South Carolina	215.1	10.8
Virginia	129.0	6.5
Other	601.1	30.1
Men's/boys' woven dress & sport shirts	1,270.0	100.0
States		
Alabama	125.2	9.9
Georgia	230.8	18.2
New York	250.3	19.7
North Carolina	108.9	8.6
Pennsylvania	49.1	3.7
South Carolina	44.6	3.5
Tennessee	80.9	6.4
Other	380.2	30.0
Men's/boys' jeans, jean-cut casual slacks	1,668.1	100.0
States		
Alabama	119.4	7.2
California	68.6	4.1
Georgia	225.0	13.5
Mississippi	111.2	6.7
New York	217.3	13.0
Tennessee	137.4	8.2
Texas	297.1	17.8
Other	492.1	29.5
Men's/boys' heavy outer wear coats & jackets	449.4	100.0%
States		
California	85.2	19.0
New York	40.5	9.0
Tennessee	34.0	7.6
Texas	30.7	6.8
Other	259.0	57.6

(continued)

GENERAL INDUSTRY STATISTICS

PRODUCT SHIPMENTS

By State (continued)

Value of Shipments By All Producers in Leading States: 1987
(Millions of dollars)
(continued)

	1987 Value	1987 %
Men's/boys' outerwear, n.e.c.**	$1,354.9	100.0
States		
California	225.3	16.6
Georgia	81.4	6.0
Missouri	62.1	4.6
New York	163.9	12.1
North Carolina	53.7	4.0
Pennsylvania	48.3	3.6
South Carolina	42.7	3.2
Other	677.5	50.0

(e) estimated
n.e.c. not elsewhere classified
* Covers products made from purchased knit or woven fabrics. Does not include products made in knitting mills.
**Covers manufacturers classified in SIC 2392, which includes swimwear, activewear, athletic uniforms, wash suits, and other sport/casual wear made from purchased knit or woven fabrics.

Source: U.S. Bureau of the Census:
1987 Census of Manufactures: Industry Series
MC82-1-23A

Materials Consumed in Production

Cotton's Percent of Fabric Weight In Men's Sportswear

	1988	1987	1986
Slacks	41%	40%	36%
Jeans	95	96	96
Shorts	59	69	67
Woven sport shirts	69	65	60
Knit shirts	68	67	64
Sweat shirts	53	52	51
Swimsuits	42	43	42
Sweaters	52	46	42

Source: Cotton Inc.

SLACKS AND JEANS

PRODUCTION

Men's slacks and jeans included separate slacks and jeans, including jean-cut casual slacks and dungarees. Men's shorts are grouped with Activewear. Also excluded are work pants and overalls which are considered segments of the Workclothing Industry (SIC 2328). This latter distinction has some problems since production of both jeans and casual slacks grew out of the Workclothing Industry.

The Men's Separate Slack sector can be subdivided into dress and casual cut slacks. Dress slacks, which are usually tailored and produced from all wool or wool-blend fabrics, were traditionally part of the men's tailored clothing industry. They are styled and cut to be worn with sport coats or in an informal manner with knit or woven sport shirts. The dividing line between dress and casual slacks is blurred but roughly 30% of the unit volume should be considered to be in the dress category.

The big issue in the "bottoms" industry has been the competition between casual slacks and jeans. In the table which follows parallel data is shown for the years 1982, 1987 and 1988 from Current Industrial Reports. These years are used because 1982 and 1987 are major Census years and data for the year 1988 is rebench-marked on the basis of the 1987 survey. However, the data shown does not reflect the impact of imports.

Production of Men's Dress Trousers, Casual Slacks & Jeans
In Thousands of Units: 1988, 1987 & 1982

	1988	1987	1982	% Change 1988/82
Men's trousers, jeans & jeans-cut casual slacks	278,850	295,921	299,049	- 5.5%
Separate dress & sport trousers, total	107,231	110,684	115,117	- 6.9
By fabric:				
All or chiefly cotton	23,386	22,421	14,780	58.2
Manmade/wool blends (chiefly man-made)	11,700	14,473	12,631	- 19.2
All man-made, chiefly man-made blends, except man-made/wool	50,908	62,271	64,655	- 21.3
All wool & chiefly wool	nr	nr	7,349	--
All other fabric	nr	nr	6,476	--
Fabric not specified	6,544	328	nr	--
Jeans & dungarees, total	143,613	153,326	139,149	3.2
By fabric:				
All or chiefly cotton	135,850	146,338	128,907	5.4
All manmade & chiefly manmade	6,268	6,457	8,167	- 23.3
Fabric not specified	1,495	531	2,073	--
Jeans-cut casual slacks, total	28,006	31,911	40,799	- 31.4
By fabric:				
All of chiefly cotton	18,478	21,306	31,713	- 41.8
All manmade & chiefly manmade	7,364	8,385	8,901	- 17.3
All other & not specified	nr	nr	185	--

Source: U. S. Bureau of the Census:
Current Industrial Reports 1988, 1987 & 1982

SLACKS AND JEANS

Some of the important points brought out in the preceding table are: the steady growth in importance of all-cotton and chiefly cotton; in 1988, cuttings of jeans, dungarees and jeans-cut casual slacks declined. The year 1988 was a bad one for the industry. Trade reports indicate that there was some improvement in 1989. However, the competition between slacks and jeans is important to the industry.

Impact of Imports

Import data as reported in the Annual Apparel Survey (Current Industrial Report-MA23A) does not distinguish between imports of Dress and Casual Slacks versus Jeans. As shown in the Overview section, imports of slacks and jeans accounted for 34% of domestic consumption in 1987 and 1988. The penetration of imports has grown steadily up from 22.8% in the key census year of 1982. Consumption of slacks and jeans is by far the largest market for textile fiber and fabric, accounting for roughly 10% of all textile yardage consumed in the United States. The domestic figures include 807 production which is produced from domestic fabric but manufactured off-shore, largely in the Caribbean Basin. Thus the table shown on the previous page does not provide accurate information on the growth in consumption of slacks and jeans because most of the increase has come about through growing imports. Of course the bulk of imports are sourced by American manufacturers and retailers.

The table below gives a good indication of the importance of imports of jeans versus slacks.

Import Share of Retail Dollars

	1986	1987	1988	1989
Jeans	8.7%	8.1%	11.5%	11.0%
Pants/slacks	25.8	31.6	34.9	38.8

Source: KSA/NPD Purchase Panel

Since imports of slacks and jeans are concentrated largely in the slack sector, consumption of slacks is greater than might be inferred from the table at the beginning of this section.

SLACKS & JEANS

Dress Versus Casual Slack Situation

Production of Men's Separate Dress & Sport Trousers
By Wholesale Prices: 1988, 1987

	1988		1987	
	Thous. of Units	%	Thous. of Units	%
Total of men's separate dress & sport trousers (incl. uniform)	107,231	100.0%	110,684	100.0%
Under $9.99	21,544	20.1	15,840	14.3
$10.00 - $11.99	11,193	10.4	59,234	53.5
$12.00 - $13.99	26,466	24.7		
$14.00 - $21.99	18,595	17.3	14,428	13.0
$22.00 - $29.99	6,691	6.2	10,735	9.7
$30.00 & over	5,270	4.9		
Price not specified	17,472	16.3	10,447	9.4

Source: U.S. Bureau of the Census:
Current Industrial Reports: Apparel Survey
MA23A (88)-1, September 1989

The border line between dress and casual slacks is not distinct. In addition, the escalating prices of raw wool and price volatility make it difficult to pinpoint the dividing line between dress and casual slacks. However, all production priced over $22 wholesale would represent dress slacks plus perhaps half of the $14-$21.99 category. The dollar value of such production would be far greater than the unit volume. The Census does not provide "Value of Shipment" figures for the sub-classifications shown above.

The Competition between Slacks & Jeans

The competition between slacks and jeans has been a major preoccupation of the industry. The basic jean is a cheaper product to make and it can be produced in great volume with minimum labor input. Slack manufacturing is more complex, especially in the dress slack sector. During the early eighties jean production and consumption was far greater than that of slacks. In the middle eighties, slack consumption began to grow at the expense of jeans. The trend is apparent in the table which follows:

Slack and Jean Purchases in Millions of Dollars at Retail

	1986	1987	1988	1989
Jeans	2,701	2,784	2,941	2,883
Slacks	2,882	3,189	3,341	3,288

Source: KSA/NPD Purchase Panel

SLACKS AND JEANS

Panel research has shown that jeans purchases are heavily concentrated with younger men, but as men become older they tend to prefer slacks and pants as shown in the following table:

Sales of Jeans Versus Slacks by Age of Wearer

	Jeans	%	Slacks	%
Total in millions of units	159,870	100.0%	159,776	100.0%
17 - 24	34,324	21.5	19,646	12.3
25 - 29	25,872	16.2	17,536	11.0
30 - 39	43,198	27.0	39,483	24.7
40 - 49	26,117	16.3	27,999	17.5
50 - 59	16,589	10.4	22,000	13.8
60 & over	13,971	8.7	33,112	20.7

Source: KSA/NPD Purchase Panel

The Leading Manufacturers

Jeans

Levi Strauss and V-F together control roughly half of the domestic market, according to the Wall Street Journal. Levi is estimated to have 22% of the market with 50% more of sales overseas, making the firm the world's largest manufacturer of jeans and other apparel. V-F has 27% of the domestic market and operates through various divisions: H.D. Lee being the largest, along with Girbaud, Rustler and Wrangler. The balance of the men's jeans market is shared by dozens of companies, among them:

Big Yank & Cowden
Brittania - div. Levi Strauss
Bugle Boy
Dakota Blue
Cy Beer Apparel
Gitano
Guess
Jordache
Rifle Jeanswear

Many of the leading U.S. manufacturers also produce women's jeans. This includes Levi and V-F plus a host of designer jeans producers. Most of the leading jean manufacturers also produce coordinated or allied items like denim jackets and knit or woven sport shirts. Levi has at various times claimed to be the 4th largest U.S. shirt manufacturer.

Slacks

Many of the large jean manufacturers, concerned about the decline in jeans sales, also manufacture slacks. Levi Strauss launched the very successful "Dockers" slack line which is reported to have obtained sales of $400 million in 1989.

SLACKS & JEANS

Slacks

Other major producers of casual slacks are:
- Haggar -- largest U.S. producer
- Levi (Dockers)
- Farah
- Thomson
- Cotler
- RPM Clothing (Alexander Julian Label)
- Oxford Industries
- Rome Manufacturing Company

In the tailored dress slack area, the major producers are:
- Jaymar-Ruby Div. Hartmarx
- Haggar
- Seminole (American Trouser)
- Camden Passage
- U.S. Enterprises

As noted earlier, many of the men's slack manufacturers produce both dress and casual slacks; several also manufacture jeans.

Fiber Usage In Slacks and Jeans

	Slacks	Jeans
Polyester dominant	53.8	9.0
100% poly	17.4	1.0
65% poly/35% cotton	12.3	1.7
50% poly/50% cotton	1.6	5.6
Poly/wool	10.4	--
Poly/rayon	6.7	--
Other poly	5.4	0.6
Cotton dominant	42.6	90.2
100% cotton	26.9	84.0
Cotton/poly	15.4	6.2
Other cotton	0.3	--
Wool dominant	3.5	0.5
100% wool	3.1	
Other wool	0.4	
Other fibers	2.6	0.1

Source: KSA/NPD Purchase Panel

SLACKS AND JEANS

Retail Distribution

Distribution of Jeans & Slacks by Retail Outlet

	1988	1989		1988	1989
Department stores			Specialty stores		
Slacks/pants	25.9	27.9	Slacks/pants	13.0	12.0
Jeans	15.6	14.3	Jeans	15.4	13.3
Chains (S/P/W)			Discount stores		
Slacks/pants	23.0	22.1	Slacks/pants	19.6	18.9
Jeans	20.0	21.3	Jeans	36.6	39.3
Off-price			All other		
Slacks/pants	6.2	6.1	Slacks/pants	12.9	13.0
Jeans	1.9	1.8	Jeans	10.4	10.0

Source: KSA/NPD Consumer Panel

The pattern of sales as shown in the above table, shows clearly that the distribution of jeans has been growing steadily in discount stores at the expense of both department stores and chains. By contrast, slack sales have been holding up reasonably well in department stores and chains, but they have been flat in discount stores.

Proportion of Sales Made "On Sale" at Retail

	1986	1987	1988	1989
Jeans	58.9	54.1	53.4	59.4
Slacks	58.4	54.3	56.1	64.8

Source: KSA/NPD Consumer Panel

Year to Year Changes in Unit Sales

	1987/86	1988/87	1989/88	1990/89 Projection
Jeans	- 1	- 1	1	- 1
Slacks	7	1	- 2	- 1

Source: KSA Soft Goods Outlook for 1990

Sales of Slacks & Jeans by Price Points

	Men's Slacks/pants		Men's Jeans
Less than $10.00	17.5%	Less than $5.00	2.3%
$10.00- 19.99	43.3	$ 5.00 - 9.99	17.7
$20.00- 29.99	25.1	$10.00 - 14.99	20.5
$30.00- 39.99	10.0	$15.00 - 19.99	30.8
$40.00- 49.99	2.3	$20.00 - 24.99	13.7
Over $50.00	1.8	$25.00 - 29.99	8.2
		$30.00 - 34.99	4.1
		$35 & over	2.6

Source: KSA/NPD Consumer Panel

SPORT SHIRTS, WOVEN & KNIT

Production and Value of Men's Sport Shirts By Construction & Fabric: 1987, 1988

	Thous. Dozens	Mils. $	Thous. Dozens	Mils. $	Quantity	Value
Men's woven sport shirts	4,312	455	3,728(r)	349	17.7	30.0
All cotton or chiefly cotton	1,996	na	1,582(r)	na	24.3	--
All man-made or chiefly man-made	1,952	na	1,975	na	- 1.2	
All other & n.s.k.	524	na	(D)	(D)	--	
Men's knit total	51,068	1,800	43,841	1,536	16.5	17.2
T-shirts & tank tops made for outerwear incl. long sleeve T-shirts	40,398	1,031	35,130	890	15.0	15.8
All cotton & chiefly cotton	17,091	na	15,416	na	10.9	
Man-made & chiefly man-made	16,904	na	18,319	na	- 7.7	
Men's all other knit shirts, except sweat shirts	10,670	769	8,711	na	10.9	
All cotton & chiefly cotton	3,955	na	3,419	na	15.7	
All man-made & chiefly man-made	4,856	na	4,838	na	0.4	

na not available
(r) revised
(D) data withheld to avoid disclosure.

Source: U.S. Bureau of the Census:
Current Industrial Reports: Apparel Survey
MA23A(88-1)

The table above first establishes the overriding importance of sport shirts. In 1988, 7,329 thousand dozen dress shirts were produced in the United States. This represented only 13% of the total dress and sport shirts produced.

Knit shirts are clearly the dominant form shirt produced. DuPont Market Research has argued over the years that most growth in apparel consumption has taken place in knit wear. Today 81% of all shirts produced in the U.S. are knit.

Another feature of the table above is the steady growth in consumption of cotton.

Production of Men's Dress & Sport Coats
By Construction/Fabric: 1988, 1987

	Thousands of Units 1987	 1986	% Change 1987/86
Dress & sport coats, incl. uniform total	17,772	17,451	2.0
By fabric:			
All or chiefly cottons	1,076	(D)	--
All man-made/wool blends (chiefly man-made)	4,005	5,689	-30.0
All man-made, chiefly man-made, blends, except man-made wool blends	5,492	5,243	5.0
All wool & chiefly wool	(D)	4,300	--
All other fabrics	905	969	- 7.0
Fabric not specified	(D)	(D)	

(D) Data withheld to avoid disclosure.

Source: U.S. Bureau of the Census:
Current Industrial Reports: Apparel Survey:
MA23A(88)-1

Dress & sport coat shipments have been flat or down since 1985. The tailored clothing industry, has tended to look on Sport Coats as a means of combating the general trend toward more casual apparel. Thus, the recent decline has been disappointing. However, the national panel surveys show that the decline in sales is related to the changes in male population by age groups. For young adults, aged 20-29, the first purchase of a suit is often a sport coat and slacks. As men advance into their thirties, suit purchases outweigh sport coat purchases. The age groups from 35-55, for the decade of the nineties, represent a growing portion of the male population which is more likely to buy suits than sport coats. This situation is analyzed in greater detail in the Fairchild Fact File: "Men's Clothing & Furnishings."

Dress Versus Woven Sport Shirts

Although the production of dress shirts and woven sport shirts are roughly similar operations, the producers of dress shirts have not been successful in penetrating the sport shirt market, although innumerable attempts have been made. In 1988, Cluette Peabody which is by far the largest U.S. manufacturer of dress shirts made a major effort to crack the sport shirts market but "the sport shirt lines bombed", according to an information book brought out by the company. The major marketers of woven sport shirts are:

Cluett Peabody
Levi Dockers
Salant: Manhattan & Thomson
V-F International
Perry Ellis

SPORT SHIRTS

T-Shirts and Tank Tops Made for Outerwear Versus all Other Knit Shirts

It is obvious from the table shown early in this sport shirts section that T-shirts and tank tops account for the bulk of all knit shirts produced in the United States. Much of this production originates in underwear plants like Fruit-of-the-Loom and Hanes. To some extent these large mills produce finished products, designed to sell as knit outerwear shirts. However the bulk of this production is sold to converters or printers who stencil on the garment comic expressions or figures, the names of exotic resort places, or even advertising words. T-shirts and tank tops have become billboards which wearers use to proclaim attitudes toward life, to present themselves as world travelers, or simply to invite conversation. This has become an enormous business which continues to grow every year. The basic fabric is slightly heavier than that which is used in underwear T shirts. For example, the Hanes product is called "Beefy-T."

Other mills which are basic suppliers to this market include:

Stedman - Division of Sara Lee
Cooper
Russell Corporation
Texfi

Source: Daily News Record

In the "all-other" category are grouped knit shirts which are constructed with a collar, button-down front and perhaps a patch pocket. This is basically a dressier product which is sold in specialty stores like Brooks Brothers and major department stores. These are major product lines which have been growing every year. The total volume approximates that of dress shirts. Golf is a major active sports activity for which such knit shirts are sold. A basic advantage afforded by knit shirts is that such items are rarely, if ever, ironed.

The major marketers of knit shirts are:

Izod
Ralph Lauren
Jantzen
Claiborne Men's Wear
Calvin Klein
Warnaco Knitwear
Perry Ellis
Gant
Boston Trader

Source: Daily News Record

SPORT SHIRTS

Imports

Deep penetration has been made in the U.S. market for shirts, especially woven shirts both dress & sport. This amounted to 55% of domestic consumption in the first half of 1989, according to Kurt Salmon/NPD Purchase Panel. This is higher than Census data for the years 1986-88, as shown in the table below.

Apparent Shirt Consumption & Imports' Share of the Market

	Apparent Consumption			% Accounted for by Imports		
	1988	1987	1986	1988	1987	1986
Quantity (thous. doz.)	131,224	123,079	94,592	34.2	39.4	47.2
Value in (mil. $)	7,836.9	7,074.8	6,120.0	41.9	46.0	53.2

Source: U.S. Bureau of the Census:
Current Industrial Reports: Apparel Survey
MA923A (88 & 89)

Retail Distribution

Distribution of Woven & Knit Sport Shirts in Units by Type of Outlet

	Department Stores		Specialty Stores		Chains	
	1988	1989	1988	1989	1988	1989
Woven sport shirts	22.0	19.8	11.7	11.3	19.0	19.8
Knit sport shirts	15.0	15.7	8.2	8.7	14.4	14.6

	Discount Stores		Mail Order		Other	
	1988	1989	1988	1989	1988	1989
Woven sport shirts	31.4	32.6	3.9	4.6	12.1	11.9
Knit sport shirts	34.8	34.4	3.9	3.5	23.6	23.1

Source: KSA/NPD Consumer Panel

As shown, there are significant differences in the pattern of distribution between woven and knit sport shirts. Woven shirts are stronger in department stores, specialty stores and chains but weaker in discount stores. The high percentage of knit shirts in the "other classification" reflects the volume of sales in miscellaneous retail outlets like boardwalk shops, tourist gift shops and various boutiques.

SPORT SHIRTS

Fiber Usage

Use of cotton has been growing steadily in recent years. Fiber consumption for 1989 is shown in the table which follows:

Fiber Usage in Sport Shirts - 1989

	Woven Sport Shirts	Knit Sport Shirts
Polyester dominant	34.7	42.4
100% poly	1.0	0.5
65% poly/35% cotton	27.9	12.5
50% poly/50% cotton	3.0	25.9
Poly/rayon	0.2	0.2
Other poly	2.6	3.4
Cotton dominant	60.3	55.2
100% cotton	44.4	45.1
Cotton/poly	15.3	10.8
Other	0.6	0.2
Wool dominant	0.8	0.1
Acrylic	2.8	0.8
Other	1.2	0.4

Sales by Price Points

Sales of knit sport shirts heavily outweigh woven sport shirts. One obvious reason for this is that knit sport shirts are sold at far lower prices as shown in the table which follows:

Sales of Men's Sport Shirts in Units by Price Points - 1989

	Woven Sport Shirts	Knit Sport Shirts
Less than $5.00	8.8	25.5
$ 5.00 - 9.99	31.8	33.3
$10.00 - 14.99	28.9	22.5
$15.00 - 19.99	16.5	10.5
$20.00 - 24.99	7.4	4.3
$25.00 - 29.99	3.2	1.8
$30.00 & over	2.6	2.1

Source: KSA/NPD Consumer Panel

The outerwear classification includes sports outerwear jackets and sweaters. However, certain items like ski jackets are considered in the section which follows on "Active Sportswear."

OUTERWEAR, INCLUDING SWEATERS

Production of Men's Nontailored Coats by Construction/Fabric 1988, 1987

	Thousands of Units 1988	Thousands of Units 1987	% Change 1988/87
Men's Outerwear:			
Heavy nontailored outer jackets except ski, incl. padded vests & uniform jackets	14,032	17,180	- 18.3
Total	100%	100%	
By fabric:			
All cotton or chiefly cotton	22.7	32.2	- 29.5
All manmade or chiefly manmade	64.1	56.7	13.1
All wool & chiefly wool	7.8	8.3	- 6.0
All other fabric	2.1	1.3	--
Fabric not specified	3.3	1.5	--
Light nontailored outerjackets	18,507	17,498	5.7
Total	100.0%	100.0%	
All cotton or chiefly cotton	25.3	13.3	90.2
All manmade or chiefly manmade	64.1	74.6	- 18.1
All wool & chiefly wool	(D)	(D)	--
Fabric not specified	12.6	10.6	--
Down & feather filled coats, jackets and vests (men's & boys') (Fabric data not supplied)	1,223	986	24.0

Production of Men's Sweaters by Construction/Fabric: 1988, 1987

	Thousands of Dozens 1988	Thousands of Dozens 1987	% Change 1988/87
Men's sweaters, incl. sweater vests, cardigans, pullovers	2,578	2,022	27.5
Total	100.0%	100.0%	
All cotton or chiefly cotton	647	726	- 10.9
All manmade or chiefly manmade	880	966	- 9.0
All wool & chiefly wool	296	(D)	--
All other & not specified	(D)	(D)	--

(D) Data withheld to avoid disclosure.

Source: U.S. Bureau of the Census:
Current Industrial Reports: Apparel Survey
MA23A (88-1)

Domestic production data does not show high rates of growth for the products shown. As in most other areas of sportswear, this is because of the deep and growing penetration of imports. This is shown in the following table:

OUTERWEAR

Domestic Shipments of Outerwear in Relation to Quantity and Value of Imports

	Domestic Shipments		Imports		% Imports to	
	Thous. $	Mil. $	Thous. $	Mil. $	Quantity	Value
			1988			
Men's & boys'						
Other coats (*)	3,660	1,139	6,188	949	66.7%	46.1
Sweaters	3,065	399	5,090	733	63.0	64.9
			1987			
Men's & boys'						
Other coats (*)	4,074	1,137	5,470	818	60.0%	42.2
Sweaters	2,389	376	5,511	732	70.3	66.2

(*) The "other coat" classification includes a variety of items but is primarily Sports Outerwear Jackets.

Source: U.S. Bureau of the Census:
Current Industrial Report: Apparel Survey
MA23A(88)-I, Sept. 1989

Men's Sports Outerwear Jackets

These products include heavy jackets such as might be used in hunting or generally in cold weather conditions. Light untailored jackets, often termed windbreakers, have become the standard item of apparel in moderate or warm weather conditions. Down-filled coats are reported separately. This has become an important growth product in recent years, even though ski jackets are excluded and shown separately in the section on "Active Wear".

(Active sportswear is very difficult to define since almost any warm jacket may be worn for skiing. On the other hand, many ski jackets are never worn in skiing. Similarly, any light windbreaker can be worn to play golf.)

Also shown in the jacket class are leather and sheep-lined clothing. These products have considerable style interest. For example, the bomber jacket, of World War II fame, has been resurrected and has enjoyed a boom. Various cults favor leather apparel, like the motorcycle and "punk" set. The "Western look" is perennially in favor.

Fabric and Fashion in Outerwear

The outerwear industry has a certain ambivalence about fashion. The theme, often expressed, is that "fashion" is a dirty word. What is desired is "performance" and how will the garment perform under extreme weather conditions or in hazardous circumstances.

OUTERWEAR

Woolrich, a major factor in the production of heavy duty outerwear, says that many items in their line have remained unchanged for seventy-five years. A major manufacturer and retailer of down-filled apparel likes to argue that "function is fashion". What, in fact, appears to be the case is that technical developments in active sportswear have great impact on the styling of regular sports outfits. The customers want to look like rugged sportsmen. However, one reason for the ambivalence about the influence of high style fashion, is that leading designers of ski wear and other sportswear habitually go to Paris and Milan seeking style inspiration.

In the basic outerwear jackets, denim looks including acid washed, have been strong for years. Parkas, with nylon shells in bright ski colors, are reported to have enjoyed good sales in the winter of 1990. Bomber jackets remain a staple, best seller. An important trend for winter 1990-91 has been three-way jackets with zip-out linings, some of which are also reversible.

Leading Manufacturers of Sports Outerwear

Woolrich
Pacific Trail
Patagonia
Fox Knapp
Columbia

Sweaters

The sweater business has grown steadily during the period 1987-1989, but, as noted, imports are more than double domestic production. All-cotton has become the preferred fiber, according to a study made by Leo J. Shapiro Associates.

Fiber Preference in Sweaters, March 1990

Fiber	% Reporting
Cotton	27.8%
100% wool	18.2
Blends-total	52.0
Wool & acrylic	18.5
Wool & cotton	17.5
Cotton & acrylic	15.8 (?)

Source: Leo J. Shapiro Associates

Fibers & Fashion

Cotton consumption remains strong and is still growing especially in full-price specialty stores. Acrylic remains an important factor, mainly in the mass market.

In the fashion scene, bulky knits have been on the decline, in favor of fine gauge knits. Color trends favor Middle-Eastern spice colors. Interest in cardigans which were quite strong in 1988-89, appears to have declined with new emphasis on V-neck sweaters.

OUTERWEAR

Fiber Content in Men's Sweaters & Jackets - 1989
(Units)

	Sweaters	Outercoats & Jackets
Polyester dominant	5.1	32.0
100% poly	0.7	3.4
65% poly/35% cotton	2.1	22.3
50% poly/50% cotton	1.0	1.1
Poly/wool	0.4	0.3
Poly/rayon	0.2	0.3
Other poly blends	0.8	4.6
Cotton dominant	24.0	30.4
100% cotton	20.5	22.5
Cotton/poly	1.2	6.7
Cotton Lycra	0.1	--
Other cotton	2.2	1.2
Wool dominant	12.9	3.9
100% wool	9.2	2.1
Other wool	3.8	1.7
Nylon	0.1	19.6
Acrylic	52.6	2.4
Other	5.4	11.5

Source: KSA/NPD Purchase Panel

Major Suppliers

Some of the major U.S. manufacturers are:

- Phillips-Van Heusen
- Jantzen
- Warnaco Knitwear

The major exporting countries are:

- Hong Kong
- Mainland China
- South America, Equador in particular
- United Kingdom
- Australia, a growing factor in both wool & cotton

Retail Distribution by Outlet in Units

	Department Stores	Specialty Stores	Chains S/P/W	Discount	Mail Order	Other
Outercoats/jackets						
1988	14.2	9.9	20.3	29.2	6.0	13.3
1989	12.3	12.5	20.4	28.3	5.3	16.2
Sweaters						
1988	25.3	12.5	22.1	21.5	4.3	14.2
1989	27.1	13.7	19.8	20.5	5.1	14.0

Source: KSA/NPD Consumer Panel

ACTIVEWEAR

The Bureau of the Census collects information on various types of apparel which are associated with active sports as follows:

Production of Men's Boys' Active Sportswear
By Construction/Fabric 1988, 1987

	Thousands of Dozens		% Change
Sweat shirts, total	13,732	12,152	13.0
All cotton or chiefly cotton (%)	(D)	21.2	
All manmade & chiefly manmade (%)	63.0	77.3	-14.3
Fabric not specified	(D)	1.5	
Sweat pants, total	4,729	4,592	3.0
By fabric (%)			
All manmade & chiefly manmade	86.0	89.6	- 3.6
Fabric not specified	14.0	10.4	3.6
Warmup & jogging suits, total	476	531	-10.4
By fabric (%)			
All cotton or chiefly cotton	9.5	11.1	- 1.6
All manmade & chiefly manmade	71.9	79.5	- 7.6
Fabric not specified	18.6	9.4	
Swimwear, total			
By fabric (%)			
All manmade & chiefly manmade	81.7	nr	
Other fabric	19.3	nr	
Ski jackets, vests, total	60.0	nr	
By fabric (%)			
All manmade & chiefly manmade	81.7	nr	
Other fabric	19.3	nr	
Ski pants, total	17.0	11.0	54.5
By fabric (%)			
All manmade & chiefly manmade	47.1	91.0	
Fabric not specified	52.9	9.0	
Ski suits and one piece overalls	6.0	2.0	
Team sports uniforms	1,218	988.0	23.3
By fabric (%)			
Knit fabric:			
All manmade & chiefly manmade	61.5	66.3	- 4.8
Woven fabric:			
All manmade & chiefly manmade	12.3	24.8	-12.5
Fabric not specified	26.2	8.9	

nr not reported

Source: U.S. Bureau of the Census:
Current Industrial Reports: Apparel Survey
MA23(E) 88, September 1989

ACTIVEWEAR

Production of Men's & Boys' Active Sportswear By Construction/Fabric 1988, 1987

	Thousands of Dozens 1988	Thousands of Dozens 1987	% Change 1988/87
Shorts, including athletic shorts, total	41,321	46,565	- 11.3
By fabric:			
All cotton or chiefly cotton	14,290	24,167	-40.9
All manmade & chiefly manmade	24,167	21,180	14.1
All other fabric	301	nr	--
Fabric not specified	2,563	nr	--
Athletic shorts	26,438	21,170	25.3

The Value of Shipments of Specified Men's Activewear By All U.S. Manufacturers: 1988, 1987

(millions of dollars)

	1988	1987	% Change 1988/87
Reported active sportswear (including men's & boys'), total	1,311.2	1,087.5	20.5
Sweat shirts	720.9	588.3	22.5
Sweat pants	268.8	246.9	8.9
Warmup or jogging suits	59.9	67.7	- 11.6
Swimwear	98.9	77.7	27.3
Ski jackets, incl. ski vests	30.0	na	
Ski pants	11.2	8.6	30.2
Team sports uniforms	121.5	98.3	23.6

Source: U.S. Bureau of the Census:
Current Industrial Reports: Apparel Survey
MA23(E) (88), September 1989

Warm Weather Sports (Golf, Tennis, Swimming & Beachwear)

It cannot be emphasized enough that active sportswear is difficult to distinguish from casual apparel. This is particularly true of golf and tennis wear. A similar problem arises in the case of swimwear. Manufacturers of competitive swimwear do not regard regular swim suits and beach wear as active sportswear. Such garments are termed "fashion wear" in contrast to competitive swimwear which is designed to minimize drag in the water and prevent the entrapment of bubbles.

Golfwear is an important apparel category. Data provided by the National Golf Foundation of Jupiter, Florida and reported in Stores Magazine reports that golf is now a $20 billion industry and growing steadily. In 1989, there were 23.4 million golfers, a number that doubled in the last 10 years. More women are now playing golf than ever before and 41% of the new golfers are women.

Warm Weather Sports (Golf, Tennis, Swimming & Beachwear) (continued)

The golfing population by age breaks down as:

Under 20 years	11.0%
20 - 29 years	48.9
Over 40 years	40.1

Golf playing is strongly skewed toward more affluent families with 68.5% having incomes over $30,000. The Midwest and South Atlantic states have somewhat higher levels of participation than other sections of the country.

The National Sporting Goods Association estimates that $205.6 million was spent on golfwear in 1989. Some of the leading manufacturers of golfwear are estimated by SportStyle Magazine, a Fairchild publication, to have sales of golfwear as follows:

	(In mils. $)
Izod	$46.0
Aureus	45.5
La Mode	25.0
Leon Levin	22.0
Pickering	21.0
Antigua	20.5

Tennis enjoyed a major boom in the mid-seventies when participation in the sport seemed to be growing rapidly. Surveys by Neilsen and others projected participation at more than twenty million persons (two-thirds men/one-third women) with the total number growing rapidly. Because of the prestigious image associated with the sport, a number of fashion oriented manufacturers sought to participate in the boom. However, the business never took off. Participation in tennis held steady but did not grow at the high rates predicted. Sales of tennis apparel remained at modest levels. Playing tennis, as with golf, does not require special apparel. Sales of leading tennis apparel manufacturers are estimated by SportStyle Magazine.

	(In mils. $)
Le Coq Sportil	$30.0
Head	25.0
Sergio Tacchini	22.0
Fila	14.5
Ellesse	13.0

ACTIVEWEAR

Swimsuits & Beachwear

Imports have achieved major penetration in the market for swim suits.

Apparent U.S. Consumption of Men's & Boys' Swim Suits

% Share Held by Imports

	Apparent Consumption		Imports		% Imports	
	Thous. Doz.	Mil. $	Thous. Doz.	Mil. $	Quantity	Value
1988	1,810	117.6	739	30.3	40.8	25.8
1987	1,406	103.3	935	31.8	66.5	30.7

Source: U.S. Bureau of the Census:
Current Industrial Report: Apparel Survey
MA23(E)(88), September 1989

The fabrics used in swimwear are technically the most advanced and complex of any used in the apparel industry, according to the DuPont Company. Nylon, Spandex, and textured yarns are all incorporated in such apparel. Fashion swimwear is designed for maximum eye appeal.

The leading manufacturers of each class of apparel are listed by SportStyle Magazine:

Leading Manufacturers of Swim & Beachwear

	Beachwear	Competitive Swimwear	
Top 5 - Total	$604.7 million	Top 5 - Total	$83.4 million
Ocean Pacific	288.0	Speedo	52.4
Gotcha	100.0	The Finals	13.2
Body Glove	74.0	Arena	9.0
Hobie Sportswear	72.0	TYR	4.9
Quick Silver	70.7	Hind	3.9

Physical Fitness

By far the strongest sector of Active Sportswear has been the production of sweat shirts and warmups. This is associated with the physical fitness boom. This has been going on for fifteen years and shows no sign of abating. Concern for physical fitness takes many forms such as running, jogging, dancercise, lap swimming, etc. However, running is all-important.

A study made for the National Sporting Goods Association and published in American Demographics (May 1989) showed that 53.4% of all persons, aged 25 to 34 and 38.4% of these aged 35 to 54 are frequent runners or joggers. These levels of participation are far greater than those associated with any other active sport.

ACTIVEWEAR

Apparel usage for running involves sweatshirts, sweatpants and warmups which are mainly manufactured from fleece. Fleece, a knit fabric, is largely produced in plants which are integrated from yarn spinning to the finished garment. All phases of the manufacturing operation from open end spinning, through high speed automated knitting to the production methods employed in producing the finished garment are highly efficient. The industry has not been deeply penetrated by imports because the low labor input makes such products an uninviting target.

The production of products made from fleece is dominated by five large manufacturers whose sales are estimated by SportStyle Magazine.

The Major Producers of Activewear Made From Fleece
(Sales in millions of dollars)

Russell Mills	$378
Tultex	334
Bassett-Walker	300
Pannill Knitting	278
Champion	120

Several of these firms produce other types of apparel such as team sportswear, and it is not always clear, from published reports, what percentage of total sales should be attributed to fleece.

Fleece is produced in all-cotton and various blends such as acrylic cotton, and polyester/cotton. Fleece has become so strongly associated with the physical fitness image that many people wear such apparel on a regular basis while shopping or working around the home.

Performancewear

There is also a garment classification for running and "dancercize" which often features elastomeric fabrics and various expensive blends with far higher price tags on the finished garments. The leaders in this product area are estimated by SportStyle Magazine with sales in millions.

Major Producers of Performancewear

Danskin	$ 50
Jacques Moret	50
Weekend Exersize	40
Gilda Marx	35
Hind	26

ACTIVEWEAR

Skiwear & Rugged Outdoor Apparel

Data on participation in various sports is sparce, often hard to interpret, and influenced by the desire to promote a particular industry. Multiple studies made of skiing and rugged outdoor sports like hunting, fishing, camping and mountain climbing seem to suggest that between 5% and 6% of the public participate in each of these sports. In terms of ownership of the specialized apparel used in these sports, the two groups seem equal. Of course, many people ski in winter and climb mountains in summer. The manufacturers, too, tend to produce garments which can be worn in both sports.

A large portion of all skiwear consumed in the United States is imported but usually marketed under familiar U.S. brand names. The leading firms supplying ski and rugged outdoor apparel with sales in millions as estimated by SportsStyle Magazine are:

Ski Wear	
Columbia	$43.0
Head	35.2
Sport Obermeyer	32.5
CB Sport	27.5
Roffee	20.9
Descente	13.5
Skyre	13.0

Rugged Outdoor Apparel	
Woolrich	$148
Pacific Trail	90
Patagonia	26
Helley-Hanson	20
The North Face	14

Hunting/Fishing Apparel	
Woolrich	33.0
Walls	23.5
Saf-T-Bak	16.0
Columbia	15.0
Red Head	7.8

Team Sports

The manufacturing of uniforms used in team sports is a bigger business than may be generally recognized. The dollar value of team sports apparel shipments at $121.5 as shown in the table on page 30 is far below the sales volume which can be documented from annual reports and other sources.

The leading team sports, in terms of participation, are given by the National Sporting Goods Association.

ACTIVEWEAR

Team Sports

Number of Persons Who Participate in Team Sports in Millions
(Participation more than once; seven years of age and older)

	1987	1986
Basketball	25.1	21.2
Volleyball	23.6	20.7
Softball	21.6	20.9
Baseball	15.2	13.9
Football	15.0	12.0
Soccer	9.8	8.2
Racquet ball	7.9	7.8
Ice hockey	1.2	1.1

The apparel used by participants in team sports reaches the user by different routes. The hard core market consists of professional and college teams who buy uniforms from major producers like Russell Mills and Champion Sportswear. There is also a secondary market of organized teams like company baseball, soccer and bowling leagues who often purchase uniforms from specialists like Swingster. Finally, there are groups and individuals, who may not actually be members of a team, who purchase uniforms at retail in outlets like college shops and sporting goods stores.

Leading Manufacturers of Team Apparel - Sales in Millions

	1989
Russell	$309
Champion	60
Delong	50
Bike	34
Wilson	24
Swingster	21
McGregor Sand-Knit	20
Dodger	17

Source: SportStyle

Miscellaneous Active Sports

There is also an assortment of active sports where special apparel needs are limited or difficult to evaluate.

Miscellaneous Active Sports (continued)

Participation in Miscellaneous Sports in Millions

	1987
Exercise walking	58.1
Bicycle riding	53.2
Bowling	40.1
Aerobic exercising	23.1
Water skiing	10.8
Archery	4.9

There has been an evident increase in body-fitting apparel used in bicycle riding. Special clothing for bowling is mainly favored by bowling leagues. Second skin apparel used in aerobic exercising is becoming a growing factor in casual sportswear.

The Distribution of Sweats & Warm-ups at Retail
Percent of units

	1988	1989		1988	1989
Department stores	10.5	11.7	Specialty stores	7.2	5.8
Chains	17.0	15.2	Discount stores	39.4	41.4
Off-price	2.8	2.5	Mail order	2.2	1.7
Sporting goods stores	4.3	4.2	Other	16.5	16.6

Source: KSA/NPD Consumer Panel

FOREIGN TRADE

Imports

The quantity of sportswear imports declined by 6.4% in 1988 as compared with 1987 but the value increased 1.5%. This can be attributed first to the decline of the U.S. dollar, improving the competitiveness of domestic production. The slight increase in the value reflected the dollar's decline because more dollars were needed to pay for the imports. In addition, the exporting countries have tended to switch emphasis to higher "value added" products.

Quantity & Value of Imports of Specified Men's & Boys' Sportswear/Casual Wear: 1986, 1987

	Quantity* (Thous. Dozen)			C.I.F. Value* (Mil. $)		
	1988	1987	% Change 1988/87	1987	1986	% Change 1987/86
Specified men's & boys' sportswear/ casual wear items, total	66,029.3	70,580.9	- 6.4%	$4,012.2	$3,950.1	1.6%
Trousers, slacks & shorts, total	19,378.4	19,055.8	1.7	1,365.0	1,230.2	11.0
Wool	377.9	339.9	11.2	81.4	68.6	18.7
Cotton	12,337.5	11,748.9	5.0	857.5	770.2	11.3
Man-made fibers	6,664.0	6,967.0	- 4.6	426.1	391.4	8.9
Sport shirts, total	42,028.4	46,636.2	- 9.9	2,139.1	2,227.6	- 4.0
Woven, total	19,847.2	22,391.5	-11.4	1,055.6	1,095.4	- 3.7
Cotton corduroy	118.8	118.5	--	7.8	8.3	- 6.0
Other cotton	8,442.1	9,173.9	- 8.0	506.7	502.0	0.9
Wool	184.5	194.0	- 4.9	15.5	19.7	-21.3
Man-made fibers	11,101.8	12,905.1	-14.0	526.6	568.7	- 7.4
Knit, total incl. T-shirts	22,181.2	24,244.7	- 8.6	1,083.5	1,132.2	- 4.4
Cotton	10,291.9	10,983.1	- 6.3	598.7	589.1	1.6
Wool	66.9	67.1	- 0.3	11.2	9.5	17.9
Man-made fibers	7,748.5	9,743.1	-20.5	398.3	473.4	-15.9
T-Shirts, cotton	4,073.9	3,451.4	18.0	75.3	60.2	25.0
Sweaters, total	4,622.5	4,888.9	- 5.5	508.1	492.3	3.2
Wholly or in part cashmere	24.0	32.6	-26.4	25.2	23.4	7.7
Sheep-like hair, except cashmere	85.2	146.6	-42.0	13.9	21.0	-33.8
Wool	914.3	1,242.9	-26.4	144.6	152.8	- 5.4
Cotton	700.0	669.9	4.5	107.0	93.7	15.4
Man-made fibers	2,899.0	2,796.9	3.7	217.4	201.4	7.9

*Quantity covers imports for immediate consumption as well as withdrawals from warehouses. General imports, covered in Value include imports for immediate consumption plus warehouse withdrawals.

The C.I.F. (cost, insurance, freight) value represents the value of imports at the first port of entry into the U.S. It is based on the purchase price and includes all freight, insurance and other charges (excluding U.S. import duties) incurred in bringing the merchandise from the country of exportation and generally placing it alongside the carrier at the first port of entry in the U.S.

Source: U.S. Bureau of the Census:
U.S. General Imports & Imports for Consumption
(FT 135-December 1987, 1986)

Imports (continued)

Most of the increase in trouser imports took place in the cotton sector, continuing a trend that has been present for several years. Wool trouser imports also advanced but the quantity and value of these products was relatively small.

Imports of sport shirts, both woven and knit, decreased appreciably in 1988. Over 90% of the manmade-fiber knit shirts and approximately 80% of both the wool and cotton knit shirts for men during 1987 were subject to some form of import restraint applying to major suppliers under agreements negotiated in 1986.

U.S. Tariff Provision 807

Imports from the Caribbean Basin also continued their rapid growth. Overall in apparel, about 78% of these imports consisted of garments assembled in the Caribbean from U.S. fabric components and entered under U.S. tariff provision 807, which allows duties to be applied only to the value added in assembly abroad. Non-807 imports from the Caribbean Basin and Mexico have grown due to the increased investment in the apparel industry in these areas by major Asian producers whose growth potential has been limited by tight U.S. quotas.

U.S. 807 apparel imports increased by 21% in both 1988 and 1989. In 1987, 807 imports accounted for 10% of all apparel imports. This grew to 13% in 1989. Of the 807 imports, 30% of 1989 imports came in under the provisions 807-A which is aimed at improving the competitive situation of Mexico and other countries of the Caribbean basin, mainly the Dominican Republic, Costa Rica and Haiti and Jamaica.

The total value of 807 imports in recent years has been:

1987	$ 700 million
1988	1.36 billion
1989	2.06 billion

Fiber Content

In 1989, 58% of the 807 imports were mainly man-made fiber; 40% cotton; and 2% wool & other vegetable fibers. All but 12% came from the Caribbean basin and Mexico. Of the Caribbean countries, the leading exporters were:

Dominican Republic	27%
Costa Rica	12
Haiti	8
Jamaica	8

FOREIGN TRADE

Imports (continued)

Total Apparel Imports Compared with 807 Imports

	Total Apparel Imports Mil. Square Meters	807 Imports Millions of Square Meters	%	Total Value of all Imports Millions of $	Value of 807 Imports Millions $	%
1987	5,459	522	10%	18,036	1,356	8%
1988	5,275	627	12	18,184	1,716	9
1989	6,029	766	13	20,930	2,055	10

Source: American Textile Manufactures Institute
(special report)

Largest 807 Import Categories

	Thous. Doz.	Mil. $
Men's & boys' cotton:		
Trousers	5,744	353
Woven shirts	1,716	103
Knit shirts	1,179	4.1
Men's & boys' manmade:		
Trousers & shorts	2,263	140
Woven shirts	450	23
Knit shirts	1,048	21

Using a different merchandise classification system as published in Census Bureau report IM 146, the Bureau reported the following data on imports for 1988 and 1987 in the CIR report:

Quantity & Value of Imports For Consumption in the U.S.: 1988, 1987

(Quantity in thousands of dozens; Value in millions of dollars)

	Quantity			Value (C.I.F.)		
	1987	1988	% Change	1987	1986	% Change
Men's & boys' specified sportswear, casual wear total	71,389	75,369	- 5.3%	$5,877.9	$5,687.4	3.3%
Sweaters	5,090	5,511	- 7.6	732.5	731.6	0
Shirts, incl. dress & work	44,869	48,544	- 7.6	3,283.7	3,257.3	0.8
Trousers, slacks, shorts (excl. wool knit)	20,691	20,379	1.5	1,831.4	1,666.7	9.9
Swimwear	739	935	-21.0	30.3	31.8	- 4.7

Source: U.S. Bureau of the Census:
Current Industrial Reports: Apparel Survey
MA23A(88)

FOREIGN TRADE

Exports

Using a similar merchandise classification system, the Census Bureau has reported the following summary information on U.S. exports. Much of the gains in exports have been attributed to the "807" program, and represent fabrics shipped unassembled to the Caribbean Basin and Mexico, then returned to the U.S. after assembly. Exports in terms of value have been helped by the cheaper U.S. dollar, which makes U.S. goods less expensive in value terms of some foreign currencies, and "traded up" merchandise is still a good bargain abroad.

Quantity & Value of Exports of Specified Apparel: 1986, 1987
(Quantity in thousands of dozens; Value in millions of dollars)

	Quantity			Value (F.A.S.)		
	1987	1986	% Change	1987	1986	% Change
Men's & boys; specified sportswear, casual wear total	9,909	8,263	19.9%	$380.4	$242.9	56.5%
Sweaters	70	62	12.9	3.9	2.1	85.7
Shirts, incl. dress & work	4,927	3,865	27.5	156.0	104.3	49.6
Trousers, slacks, shorts (excl. wool knit)	4,657	3,869	20.4	208.9	130.0	60.7
Swimwear	255	467	-45.4	11.6	6.5	78.5

F.A.S. free alongside ship

Source: U.S. Bureau of the Census:
Current Industrial Reports: Apparel Survey
MA23A(88)

Imports' Share of the U.S. Market

The growth in imports' share of the U.S. market held by imports will be apparent in the following summary. The decline in the value of the U.S. dollar in 1988 slowed but did not stop the growth in share of market held by imports. Tight controls and quota restrictions remain in effect but have not stemmed the tide.

Import data on specific types of men's activewear is not published by the Census Bureau. However, trade data and purchase tracking studies indicated that imports account for more than a third of the units and dollar volume. In some classifications, imports account for well over half of dollar expenditures at retail.

Imports' Share of the U.S. Market (continued)

Apparent Consumption & Imports Share: 1985-1987

	Apparent Consumption*			% Accounted For By Imports		
	1987	1986	1985	1988	1987(r)	1986
QUANTITY (Thous. dozens)						
Men's & boys						
Sweaters	8,085	7,838	8,092	63.0	70.3	65.8%
Shirts (all types)	131,224	123,079	94,592	34.2	39.4	47.2
Bottoms	61,047	60,080	60,381	33.9	33.9	28.2
Swimwear	1,611	1,406	2,294	40.8	66.5	52.1
VALUE (Millions of $)						
Specified apparel, total						
Sweaters	$1,127.8	$1,105.6	$ 983.2	64.9	66.2	65.1
Shirts (all types)	7,836.9	7,074.8	5,369.2	41.9	46.0	49.6
Bottoms	7,250.3	6,905.9	6,607.1	25.3	24.1	19.5
Swimwear	117.6	103.3	150.7	25.8	30.9	21.0

*Apparent consumption represents new domestic supply, and is derived by subtracting exports from the sum of U.S. manufacturers' shipments plus imports.

Source: U.S. Bureau of the Census:
Current Industrial Reports: Apparel Survey
MA23A(88)

A more detailed picture of import penetration by product lines is available from the KSA/NPD Research.

Imports Share of Retail Dollars

	Annual 1987	Annual 1988	Annual 1989
Woven sport shirts	62.7	65.5	66.5
Knit sport shirts	47.3	46.0	45.6
Sweaters	56.7	52.8	55.6
Jeans	8.1	11.5	11.0
Pants/slacks	31.6	34.9	38.8
Shorts	49.7	55.4	56.1
Sweats/warmups	38.1	36.5	35.8
Swimwear	48.4	65.2	54.2

FOREIGN TRADE

Canada

The Canadian-U.S. Free Trade Agreement which went into effect on January 1, 1989 calls for the gradual reduction in all tariffs and their complete elimination by 1998. However, it is likely that tariff reductions will take place more rapidly on a negotiated basis. Thus, to a growing extent the U.S. and Canadian apparel markets will be integrated during the ten year period. This has aroused interest on both sides of the border in the opportunities for expansion.

In terms of population, Canada, with its 200 million plus persons is roughly 8% of the United States. Sales of men's wear at retail have been estimated at 3.4 billion Canadian dollars. This is roughly 7.6% of the $44.4 billion estimated by the Bureau of Economic Analysis for men's wear apparel expenditures in the U.S.

Trends in the Canadian apparel market tend to parallel those in the U.S., on a delayed basis. The merchandise mix favors more formal dress-up apparel than in the United States. Sales of slacks, jeans and other casual pants are not as important as a percentage of total apparel sales as shown in the table below:

Canadian Men's Apparel Sales as Percent of Total Sales

	1985	1988
Outerwear	14.2%	14.1%
Suits & sport coats	18.0	18.8
Slacks, jeans & other pants	26.9	23.5
Shirts	17.5	17.3
Sweaters & other tops	10.5	12.6
Activewear	4.4	5.4
Underwear & pajamas	5.1	4.8
Hosiery	3.4	3.5
	100.0%	100.0%

Men's Wear Retailing

The Canadian retail scene differs appreciably from that in the U.S.

Men's Apparel Sales in 1988
(100% = Total Dollar Sales)

Department stores	30.0
Men's specialty stores	32.5
Unisex apparel specialty	12.3
Discount stores	17.8
All other	7.4
	100.0%

Source of both Canadian tables: Canadian Apparel Monitor

MARKET POTENTIAL

POPULATION

The fastest growing segment of the male population during the nineties will be the 40-50 year old age group with a 19.5% increase in 1995 over 1990. Persons aged 50-65 and over 65 will also increase by 7.4% for both groups.

The 40-65 year age groups are the most affluent and tend to spend a larger portion of disposable income on apparel. Men over 65, while reasonably affluent, tend to spend a smaller portion of disposable income on clothing. These older people are more interested in travel and the consumption of related services.

The 20-30 age group will actually decline by 10.4% in 1995 while the 30-40 year olds will decline slightly by 3.2%. The declining number of young adults, as compared with the 40-65s has important implications for apparel consumption. Young adults purchase more jeans, but as they grow older they switch to slacks. This is already evident in growing shipments of slacks as compared to jeans.

In the tailored sport coat area, the consumer panel surveys show a conflicting pattern of purchases. A sport coat is often the first "suit" purchase made by young adults. As young adults move into maturity, suit purchases predominate. After sixty-five, as many persons retire, sport coats are again favored in preference to suits but the frequency of sport coats purchases is lower than in the case of mature adults.

There is also a tendency in the middle years to buy more dress shirts than woven or knit sport shirts. However, the size of the sport shirt market is much greater than that of the dress shirt market that the impact of the changing population by age mix is unlikely to have a major effect. The long term trend toward casual wear is likely to continue irrespective of demographic changes.

Estimated Male Population of the U.S., 1990, and Projections* to 1995 & 2000

	Number (Thousands)			% Change	Percent Distribution		
	1990	1995*	2000	1995/1988	1990	1995*	2000
Total, all ages	121,775	126,654	130,722	4.0%	100.0%	100.0%	100.0%
Under 19 years	36,557	37,331	37,555	2.1	30.0	29.5	28.7
19 years & older	85,218	89,323	93,167	4.8	70.0	70.5	71.3
20-29	19,592	18,063	17,514	-10.4	16.1	14.3	13.4
30-39	21,221	22,079	20,562	- 3.2	17.4	17.4	15.7
40-49	15,500	18,524	20,817	19.5	12.7	14.6	15.9
50-65	15,692	16,854	20,023	7.4	12.9	13.3	15.3
65 & older	12,852	13,802	14,274	7.4	10.6	10.9	10.9
Median age (years)	31.9	33.7	35.3		--	--	--

*Projections are based on the middle of a series of three different projections, each based on alternative assumptions for future fertility, mortality, and net immigration levels. (Includes Armed Forces overseas.)

Note: Columns may not add to totals shown due to rounding.

Source: U.S. Bureau of the Census:
Current Population Reports
Series P-25, No. 1017, October 1988

POPULATION (continued)

Other special characteristics of the 65 and older age group in respect to apparel consumption have been identified in recent studies. Exercise and health are top priorities among seniors. The affluence and fast growth of this group, plus the fact that a large segment are concentrated in the Sunbelt states, where outdoor activities are year round, has had a strong impact on the men's sports/casual wear market. More manufacturers are making a special effort to cultivate the mature market. Exercise walking is the most popular activity among men 55 years or older, followed by fishing.

Big and Tall Men

The big and tall business has been highly specialized, but more and more manufacturers are moving into this burgeoning market, which represents 8 to 10% of the men's market, according to recent studies. New information on the distribution of the adult male population in the U.S. by height and weight indicates a sharp gain in the big and tall market. The U.S. Department of Health, Education and Welfare recently updated its findings on the population by height/weight measurements. These findings have been projected to the total population as reported by the Census Bureau.

The number of tall males (6 foot, 3 inches or taller) increased over 30% in a 10 year period. One and a half million out of a total 74.6 million adult males are at least six feet three inches tall. Close to one out of four of these men weigh 230 pounds or more, and another 9.6% weigh 220 to 229 pounds. Most tall men weighing over 230 pounds are in the 18-24 year old population (53%). A growing demand for larger sizes will be noted among older age groups as these young men move along the age scale. Almost 20% of big/tall men are 25 to 34; 19.1% are age 35 to 54; and 8.6% are 55 to 64.

CONSUMER EXPENDITURES

Expenditures for Men's Sportswear at Retail

The NPD Consumer Panel Survey has projected total expenditures for men's apparel and selected sportswear items as shown in the table below:

Total Purchases of Selected Sportswear Items at Retail
(Figures in millions of dollars)

	Annual 1987	Annual 1988	Annual 1989	% Change 1989/87
Total men's apparel	28,535	29,609	31,699	11.0%
Specified sportswear, total	19,177	19,832	21,166	10.4
% of Mens's apparel	67%	67%	67%	
Separate sport coats	1,571	1,483	1,250	-20.4
Slacks	3,189	3,341	3,288	3.1
Jeans	2,784	2,941	2,883	3.6
Shorts	706	765	917	29.8
Woven sport shirts	2,472	2,424	2,397	- 3.1
Knit sport shirts	2,403	2,477	2,827	17.6
Other tops	586	638	846	44.4
Outerwear	2,454	2,631	3,102	26.4
Sweaters	1,637	1,618	1,948	19.0
Sweats & warmups	1,233	1,371	1,544	25.2
Swimwear	142	143	164	15.5

Source: KSA/NPD Consumer Panel

MARKET POTENTIAL

CONSUMER EXPENDITURES

The Demographics of Demand

The Bureau of Labor Statistics conducts studies at regular intervals to determine consumer expenditures for various products and services. These studies provide information on the percentage of income which is spent for food, shelter, clothing, etc. In the tables which follow data is supplied on the dollar value of income which is spent for apparel and services; total expenditures for men's apparel; then, total expenditures for sportswear, all by reporting unit. The data is then broken down by such classifications as: expenditures by region, by age of reporting person, and by income.

Overall Expenditures for Apparel & Services

	1984	1985	1986
Total expenditures for apparel & services by men & women	1,319	1,420	1,346
% of total expenditures	6.0	6.0	5.6
Total men's apparel			$278

The recent data shown represents a long term reduction in the percent of income which is spent for clothing. In the years after the Second World War, expenditures for apparel were in the neighborhood of 8%.

Total Expenditures for Men's Apparel by Income Group

Average	Lowest 20%	Second 20%	Third 20%	Fourth 20%	Highest 20%
$ 278	$ 114	$ 149	$ 214	$ 355	$ 592

Total Expenditures for Men's Apparel By Dollar Income

Less than $5,000	$5,000-$9,999	$10,000-$14,999	$15,000-$19,999	$20,000-$29,999	$30,000-$39,999	$40,000 $49,999	$50,000 & Over
$ 93	$ 123	$ 169	$ 169	$ 271	$ 392	$ 411	$ 723

Expenditures for Specified Men's Sportswear by Region

	Average of those reporting	Northeast	Midwest	South	West
Sportcoats	$ 15.70	$15.96	$16.90	$13.25	$17.91
Pants	53.78	52.75	50.52	53.00	60.21
Sweaters, etc.	16.37	19.70	18.45	11.04	19.03
Active sportswear	10.27	11.20	11.24	8.24	11.43
Shorts & short sets	6.93	4.88	6.89	7.79	7.69

(continued)

MARKET POTENTIAL

CONSUMER EXPENDITURES

The Demographics of Demand (continued)

Expenditures for Specified Men's Sportswear by Income

	Total Reported Average Annual	Lowest 20%	Second 20%	Third 20%	Fourth 20%	Highest 20%
Sportcoats	$ 15.70	$ 3.84	$ 4.39	$ 7.35	$15.12	$43.30
Pants	63.63	19.96	43.10	50.86	86.03	122.33
Sweaters, etc.	16.37	5.22	7.97	10.23	16.87	39.46
Active sportswear	10.27	2.27	4.12	7.45	12.13	23.20
Shorts & short sets	8.36	1.87	3.34	7.85	13.86	14.23

Expenditures for Specified Men's Sportswear by Age of Reference Person

	Average Reported	Under 25	20-34	35-44	45-54	55-64	65-74	Over 75
Sportcoats	$ 15.70	10.07	11.84	22.67	25.10	20.54	8.16	2.68
Pants	63.63	26.19	71.65	80.00	96.14	63.51	39.63	20.64
Active sportswear	10.27	9.84	9.52	14.73	15.65	9.94	4.87	1.79
Sweaters, etc.	16.37	15.36	15.27	22.05	25.16	15.46	9.57	3.84

Source: Bureau of Labor Statistics
1988 Consumer Expenditure Survey

This BLS data broadly confirms research data which has already been separately reported:

The most important years for apparel expenditures are the 35-64 age groups. Before 35, expenditures grow slowly. After 65, the drop is precipitous.

For practically all apparel there is a direct relationship between income and expenditures for apparel.

By region, the West leads in expenditures for sportswear. (Of course, the data for formal wear such as suits and dress shirts, would show that the Northeast with its urban centers would lead.)

PRICE TRENDS

PRODUCER PRICES

Producer Price Index For Reported Men's Sportswear Items
(Base 1982=100 unless otherwise specified)

	Index	% Change in Monthly Avg. Index	
	Jan. 1990	Jan. 1990/1989	Jan. 1989/88
All commodities	114.9	4.0	1.7%
All apparel	116.5	2.5	0.9
Men's & boys' apparel, total	119.6	4.0	1.3
Selected items:			
Trousers: dress, sport, uniform	116.9	4.4	0.7
Jeans & jeans-cut casual slacks			
Denim (men's)	117.1	0.9	- 0.8
Other fabric (men's)	106.7	2.7	0.6
Sportshirts, men's & boys'			
Woven (12/1984=100)	106.4	2.7	0.3
Knit, incl. sweat (6/1983=100)	111.6	7.0	4.9
Sweaters, jackets, jerseys (12/1984=100)	114.0	3.9	- 0.1
Leather coats, jackets (men's & boys') (12/85=100)	105.9	na	0
Swimwear, athletic shorts, & other outerwear (men's & boys') (12/1984=100)	117.3	4.0	2.8

nr not reported

Source: U.S. Bureau of Labor Statistics

The average consumer price index for menswear rose at a slightly slower rate in 1988 and 1989 than for all items. From a 1982-84 base, men's apparel advanced by 17.0% as compared with 24% for all items. Shirts were close to the pattern for all items at 23.2% but dungarees, jeans & trousers were lower at 17.2%. Imports undoubtedly have the effect of holding down apparel price advances.

CONSUMER PRICES

Consumer Price Index of Specified Men's Sportswear Items
(1982 -84 = 100)

	Annual Averages		
	1989	1988	% Change 1989/88
All items	124.0	118.3	4.8%
All apparel commodities less footwear	117.1	114.4	2.4
Men's apparel	117.0	113.4	3.2
Coats & jackets, suits, sportcoats	121.0	115.7	4.6
Shirts, dress & sport	123.2	119.9	2.8
Dungarees, jeans & trousers	117.2	112.5	4.2

Source: U.S. Bureau of Labor Statistics

RETAIL SALES

By Merchandise Line

An analysis of retail market trends has been compiled by Kurt Salmon Associates Inc. Men's sportswear purchases in 1990 were expected to be somewhat sluggish compared with 1989. For all products a gain of only 2% is expected. Sales of slacks and jeans are expected to decline. Sales of active sportswear are expected to grow by 4%, a lower rate than was experienced in recent years.

Year-to-Year Changes in Unit Purchases of Specified Men's Sportswear, 1986-1990

	Projected	Estimated	Actual	
	1990/1989	1989/1988	1988/1987	1987/1986
Mens's Wear, Total	+ 2%	+ 3%	+ 3%	+ 3%
Casual shirts	+ 2	+ 2	- 2	+ 5
Active sportswear	+ 4	+ 8	+ 9	+25
Sweaters	+ 2	+17	- 3	+ 7
Slacks	- 1	- 2	+ 1	+ 7
Denim jeans	- 1	+ 1	- 1	- 1

Source: KSA/NPD Purchase Panel,
Soft Goods Outlook for 1990

Rising apparel prices have been a major concern during 1989 and early 1990. The sharp decline in the dollar during 1989 had the effect of raising prices of imported apparel, while benefitting domestic manufacturers. The 807 imports benefitted in particular from the decline in the value of the dollar because U.S. fabrics were comparatively low in price as compared with fabrics produced on the Pacific rim. (As previously stated 807 imports now account for 13% of all imports.)

Jeans are likely to continue to decline because of the aging population mix but the outlook for slacks has been more favorable. This trend is likely to continue.

By Store Type

Each year, the share of market held by discount stores has been growing. The share of business held by department stores and full price specialty has steadily declined. The volume of business held by the Mass Merchants (Sears, Penney, Ward) has been generally flat for more than ten years. Of course, sales of some product lines in any one year may advance or decline because of fashion dictates. The highest rate of growth in retail sales has been experienced by off-price specialty stores.

RETAIL SALES

Retail Sales of Men's Sportswear by Outlet--Summarized

	Woven Sport Shirts		Knit Sport Shirts		Sweaters	
	1989	1988	1989	1988	1989	1988
Department Stores	22.5%	23.2%	18.8%	18.6%	29.4%	29.6%
Specialty Stores	17.1	18.7	16.1	14.6	22.3	19.3
Mass Merchandisers*	20.5	18.6	15.5	15.2	16.5	18.2
Discount Stores	25.8	27.4	24.8	29.0	17.5	22.0
Mail Order	6.5	5.8	5.5	5.7	6.4	5.7
Other	7.6	6.3	19.3	16.9	7.9	5.2

	Jeans		Pants/Slacks		Shorts	
	1989	1988	1989	1988	1989	1988
Department Stores	13.5	15.4	29.7	27.5	20.2	20.3
Specialty Stores	21.1	23.2	18.7	20.2	17.3	15.6
Mass Merchandisers*	23.2	20.5	21.7	21.8	18.9	15.0
Discount Stores	32.2	32.8	18.4	20.0	26.7	28.3
Mail Order	1.6	1.9	6.3	6.0	3.5	4.0
Other	8.4	6.2	5.2	4.5	13.4	16.8

	Jackets		Sweats & Warmups		Swimwear	
	1989	1988	1989	1988	1989	1988
Department Stores	16.1	19.7	14.8	12.0	24.9	25.8
Specialty Stores	25.0	18.6	10.6	13.1	15.2	14.5
Mass Merchandisers*	18.5	17.2	14.7	16.9	15.1	12.8
Discount Stores	18.2	24.0	35.2	33.7	24.0	28.1
Mail Order	4.7	7.2	2.1	3.8	5.3	8.4
Other	17.5	13.3	22.6	20.5	15.5	10.4

*Includes Sears/Penney Ward/K-Mart

Source: KSA/NPD Purchase Panel

The department stores' share of business tends to remain over 20% for higher priced merchandise like woven sport shirts, sweaters and pants/slacks. The discount stores' share of business averages more than 25% but tends to be higher in the case of commodity-type merchandise like jeans, knit sport shirts and warmups. The sales of mass merchants generally fall in the range of 20-25% and are also strong for volume-priced merchandise. The mass merchants' share of business has held steady for the last fifteen years.

The specialty stores fall into several distinct classifications. First, there are upscale specialty stores like SFA, Brooks Brothers and Hartmarz retail outlets. A second category are specialty stores which zero in on specific market sectors while maintaining traditional markups like the Gap, LL Bean and Hermans. Finally, there are off-price specialty like Syms and BFO which seek to offer high price, prestige apparel at lower margins and prices.

RETAIL SALES

Private Label - Percent of Unit Purchases at Retail
Selected Sportswear Items

	Total		Department		Specialty		Chains	
	1988	1989	1988	1989	1988	1989	1988	1989
Slacks/pants	27.5	27.4	8.1	7.3	6.7	6.9	55.8	51.8
Jeans	8.9	7.6	1.1	0.3	5.8	7.5	32.4	25.7
Woven sport shirts	29.3	29.3	23.9	19.3	16.5	15.8	67.1	64.9
Knit sport shirts	21.4	22.2	24.3	24.4	20.6	19.2	65.7	59.5
Sweaters	27.9	31.4	22.0	25.4	15.5	15.8	61.1	67.9
Outercoats & jackets	24.4	24.6	11.7	12.8	17.3	17.7	67.5	59.9
Sweats & warm-ups	16.1	13.7	32.5	20.6	10.2	9.9	41.6	25.5

Source: KSA/NPD Consumer Panel

The Private Label Situation

Sales made in private label merchandise have been growing for a number of years. There are several reasons why retailers move in this direction:

Certain prestige retailers like SFA, Brooks Brothers and Bloomingdales may feel that their own names have greater prestige and sales appeal than that of even important manufacturers like Hartmarx, Greif or Izod. The use of a private label also protects them from price comparisons with merchandise which may be available in lower mark-up establishments.

For most retailers, sharp price competition between different types of retailers has been the most important consideration. Strong brand names have traditionally been associated with prestige department stores, full-price specialty retailers and strong independent stores. However, the prestige outlets have steadily been losing shares of business for twenty-five years. Therefore, it has been increasingly difficult for major producers of medium priced apparel to maintain volume without offering merchandise to mass merchants and discount retailers. Because the prices offered by the discounters are likely to be ten to twenty percent lower than in the traditional department and specialty store, these outlets often feel obliged to develop their own private labels.

This has created serious problems for the large quality manufacturers who have strong brand names. In the slacks area, the largest manufacturer refuses to sell his product under his own brand name to the mass merchants and discounters. To get the needed sales, this firm offers his product to the lower priced retailers under a "designer name." A very large jeans manufacturer has simply defied convention and sold his product to any retailer ready to pay the price. However, this is a hard road to take.

Many smaller prestige manufacturers felt they had no choice but to confine their sales to the department and specialty stores. However, the market gets smaller very year.

RETAIL SALES

Department Stores

In all department stores, sales of men's and boys' sportswear accounted for 8.3% of total store sales. This represented an increase of 1% over prior years. In very large department stores with sales in excess of $300 million, men's & boys' sportswear accounted for 7.4%. In the specialty store group, as reported by NRMA, sportswear sales accounted for 10.5% of sales. Sales for all department stores averaged $119 per square foot but data was not available for the $300 million plus group. (In previous years, larger department stores with sales over $2 million averaged $158 per square foot. Increases in sales per square foot have been steady in the department store field. (The National Retail Merchants Association includes Mass Merchandisers like Sears & Penney. No distinction is made in the data reported by the traditional department stores and the mass merchandisers.)

The cumulative markon has also been edging upward to 52.2% for all department stores and 53.4% for all specialty stores. However markdowns have also been increasing to 28.4% of sales for all department stores; 22.6% for the over $300 million stores; and 30.0% for the specialty group. This helps explain the finding of the consumer panel surveys that a very large portion of men's apparel sales (from 50% to 65%) is purchased "on sale." Thus the very high markups reported are not realistic as to what the merchandise is actually sold for. In fact, the very high initial price often simply serves as a basis for claiming reductions of 30% or more on "sales".

Merchandising & Operating Results of Men's & Boys' Sportswear Departments In Department Stores & Specialty Stores, 1988

(Median results)

	Total Store Sales		All
	All stores	Over $300 Mil.	Specialty Stores
Net sales, % change from last year	22.8%	27.0%	10.1%
Sales, % to total store	8.3	7.4	10.5
$ sales per sq. ft. of selling space (main or largest unit)	119.0	na	na
Cumulative markon, %	52.2%	51.4%	53.4
Gross margin, % of net sales (incl. cash discounts)	40.1	40.6	40.7
Markdowns, retail, % of sales	28.4%	22.6%	30.0%
Number of stock turns (times)	2.2	3.4	3.0
Advertising, % of net sales	2.6%	na	na

Source: National Retail Merchants Association
Merchandising & Operating Results of 1988
(1989 edition)

Mass Merchandisers

Most customers purchasing their major apparel items at these stores are under 45 years of age, according to a study conducted by MRCA Information Services. These men account for 63% of the total adult male population. Higher income families are increasingly becoming customers of the mass merchants, according to MRCA data.

RETAIL SALES

Selected Merchandising & Operating Results in Men's Wear Stores: 1987
(Median results)

	Total Men's Sports Wear	Sport Shirts	Sweaters	Action Wear	Casual Slacks	Jeans	Jackets & Heavy Outer Wear	Coord. Leisure Wear
% change in sales 1988/1987	6.9%	1.1%	8.0	5.9	3.7	- 7.1	14.5	1.5
% of total store	21.0	7.8	4.3	1.7	4.2	2.5	3.5	0.9
% distribution of average inventory in men's sportswear dept.	100.0	27.9	17.4	7.7	17.8	13.3	14.4	3.4
Markdowns, % of sales	17.6	16.9	16.4	18.9	14.0	13.7	19.2	16.5
Number of stock turns	2.2	2.4	2.4	2.5	2.1	1.7	2.4	2.0

Source: Menswear Retailers of America:
1989 Annual Business Survey

Sportswear continues to be the single most important growth area for men's specialty stores, according to members of Menswear Retailers of America (MRA).

Independent men's specialty store retailing has not been especially profitable during recent decades. The number of stores and share of business being booked has steadily declined.

The main causes of unprofitablity have been the high mark-downs as shown in the table above. Retailers may enjoy good sales during the season but, if to clear stock at the end, they have to take mark-downs of 30%-50%, total return for the season may be poor. The second cause of unsatisfactory profitability is low stock turns. In the table above, stock turns are in the neighborhood of 2.2% per annum.

Certain major specialty store retailers have gone all-out to solve these twin problems, like Melville and the Limited. The techniques developed involve elaborate centralized computer operations, linked to a large number of chain outlets. Inventories in individual stores are held to a minimum. Sales made each day are reported to the central computer. All stores are resupplied with fast moving items several times a week. The effect of these procedures is to reduce the extent and frequency of markdowns. In addition, inventory turnover may be increased to 6 or even 7 times per annum. The effect on profitability has been dramatic for a number of leading retailers. This also helps account for the new lease on life experienced by a number of famous specialty store retailers.

RETAIL SALES

Retailers of Activewear

A substantial part of the volume in active sportswear is handled by retailers who specialize in active sports equipment and apparel. (In the distribution surveys shown on page 49, some of these sales appear in the 'Other' category.) In the table which follows, leading retailers of sports equipment and apparel are shown. This also includes sales of footwear which is a major product category for these retailers.

Sales of Leading Retailers of Active Sports Equipment & Apparel

	1989	1988
Footlocker *	1,340	1,070
Herman's	630	647
Oshman's	317	305
Athlete's Foot	270	253
Big 5	220	200
REI	207	183
Sportmart	200	168
Champs	160	110
McSports	130	103
Gart	100	80

(*) Includes Lady Foot Locker, Kids Foot Locker

Source: SportStyle Magazine Estimates - June 13, 1990

Percent of Newspaper Ad Linage Done By Retailers Each Month

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Slacks	3.3%	6.3	8.9	7.6	6.4	13.8	6.2	12.3	7.5	7.5	9.0	11.2
Sportswear	1.6%	4.3	6.8	7.4	9.9	17.4	4.4	9.2	7.8	8.1	10.9	13.0
Athletic apparel	7.2%	4.4	2.0	3.6	1.7	1.8	0.5	7.1	11.1	10.9	37.8	11.9

Source: Advertising Checking Bureau, 1986 & 1988

SCHEDULE OF ADDITIONAL FACT FILES

Statistical Analysis of Retailing (A Fact File Special Edition): A detailed statistical summary of retail trade in the U.S. based on the findings in the 1987 Census of Retail Trade issued by the U.S. Census Bureau in 1989. Includes information on the number of outlets by store type, sales, market shares by type of major merchandise classification, geographical changes, etc.

The Children's Market: Infants', Toddlers', Girls' and Boys' (Apparel, Juvenile Products, Toys/Dolls): Covers demographic trends affecting this market, including births, population projections by age, and characteristics of households with children. Includes detailed information on the U.S. children's wear industry, including production and shipments, foreign trade and price trends. Also covered are market trends for juvenile products (cribs, strollers, etc.) and for toys, games and dolls.

Consumer Market Developments: An overview of all facets of the consumer market. Within the framework of population and income groups, the markets for children's products, for young adults and for the mature are defined in terms of numbers and buying power. Trends and projections are included as well as an analysis of developments that are shaping the U.S. consumer market--living arrangements, households, working women, marriage and birth rates, etc. Trends in personal consumption expenditures are also covered.

Department Store Sales: Outlines ownership change/ reorganizations in the past year affecting major department and specialty stores. Buying headquarter locations of stores are listed with information on sales and number of outlets included in this total. Notes are included on plans to open and/or close stores. Sales and outlet information is separately listed for corporate headquarter and for national chains.

Dresses and Washable Service Apparel (Women's, Misses' & Juniors'): At the manufacturer level, provides a statistical profile of the dress industry and the products made within this industry, including dresses, washable service apparel, ensembles, etc. Includes number and size of manufacturers, production, and value of shipments, industry location and trends in employment levels. Analyzed is the governing impact of imports on total U.S. market supply. Retail sales by major type of retail outlet are covered, as well as growth in the size of the consumer market, based on population counts, working women by type of occupation, and more.

Fashion Accessories (Men's, and Women's): Covers developments in the U.S. industry, in imports and in retail sales for fashion accessories, including small leather goods, handbags, millinery, scarves, gloves, belts, jewelry, sunglasses, watches, etc., to the extent that statistical information is available. Included are production and shipments by U.S. manufacturers plus the quantity and value of imports in recent periods. Retail sales in department and specialty stores are reported, as well as summaries of available studies on consumer buying preferences.

Footwear (Men's, Women's, Boys', Girls'): A statistical summary of the U.S. footwear industry and U.S. market. Covers domestic production and shipments, and details trends in imports and their share of the domestic market, with information on major types of footwear. Includes information on sales trends and operating/merchandising results for shoe departments.

Home Textiles & Related Products: Includes the latest statistics on the U.S. industry, including manufacturers of a wide variety of products--bed linens, towels, blankets, comforters, slip covers, pillows, curtains/ draperies and hardware, shades and blinds. Covers the changing competitive nature of the industry through acquisitions of major producers and through consolidation of buying power at the retail level. Includes information on production, shipments and retail sales.

Hosiery/Legwear/Bodywear (Men's, Women's, Boys', Girls'): A comprehensive report on mills making hosiery and related products, including production and shipments, fiber consumption, producer price trends. The growing trend in imports is also covered. At the consumer level, the size of the potential market is measured in terms of population counts and projections and estimates are included on retail sales of major products by type of retail outlet.

Household Appliances, Electric Housewares: Covers a broad range of products included in these two classifications at the manufacturer and at the retail level. Provides a statistical profile of the U.S. industry in terms of number of manufacturers, production, shipments, exports. Imports are detailed, as well as information on export markets. Covers retail sales and merchandising results and information on appliance/radio/TV stores.

Household Furniture and Bedding: Provides an overall view of market trends in the U.S. For the U.S. industry, the report covers statistics on manufacturers, on production and shipments in terms of quantity and value by type of furniture. Trends in the concentration levels in the U.S. industry are reported, as well as in employment and earnings in the industry. Also included is information on the industry in leading states. Consumer market information includes data on characteristics of new housing units (number of rooms); also trends in consumer expenditures for furniture, sales by type of outlet. Details on furniture stores, including the 25 leaders, are also covered.

Men's Clothing and Furnishings: Provides a summary of major market trends in the men's furnishings/work/career apparel area and the tailored clothing areas, as well as in the rainwear area. Covers production and shipment information, employment trends, manufacturer concentration levels, location of the industries. Also examines import/export material. There's a look at the consumer market, plus in-depth details covering the retail level including sales and operating results for men's furnishings/work/career apparel/and tailored wear in both department and men's wear stores.

Men's Sportswear, Casual Wear, Outerwear: The wide variety of men's wear items included are covered from available statistical information on the industry at the manufacturer, retailer and consumer levels. Included is information on production and shipments by domestic producers, imports and exports. The retail market is covered in sales estimates and data on major outlet types, as well as studies of consumer buying practices.

The Sports/Fitness/Leisure Markets: Covers details on U.S. manufacturers in the sporting goods/athletic goods industry, concentrating on products sold through retail outlets such as sporting goods stores and general merchandise stores, as well as functional athletic footwear and apparel. Includes quantity and value of shipments of specified products, concentration of shipments among leading manufacturers, and trends in producer prices. Imports of specified sporting and athletic goods are covered. At the consumer level, data includes statistics and sports participation levels and purchases of specific sports equipment.

Sportswear, Casual Wear, Separates (Women's, Misses' and Juniors'): A statistical view of this segment of the women's wear industry is provided, including data on production and value of shipments, imports of major categories, sales by type of outlet, seasonal patterns, and consumer buying habits.

The Textile/Apparel Industries: Provides an overview of the U.S. textile and apparel industries, their current problems and programs to improve their competitive position in the U.S. market and abroad. Covers a statistical profile of each industry in terms of number of manufacturers, concentration levels, production and shipments, including exports. Trends in imports in terms of quantity and value are detailed, as well as quota developments. Also included is information on plant and equipment expenditures and on mill machinery in place in U.S. mills.

Toiletries, Cosmetics, Fragrances and Beauty Aids: A detailed view of the U.S. industry, leading manufacturers, sales of products for both men and women, trends in industry employment and earnings, advertising expenditures and foreign trade. Consumer expenditures by product are detailed as well as retail sales by outlet type, and consumer buying patterns and usage in regard to specified products.

Women's Inner Fashions: Nightwear, Daywear and Loungewear: An analysis of statistical information available on the industry and market, from manufacturer through to consumer. Includes the latest available data on U.S. production, shipments and exports; and details on imports. Retail sales and operating results in department and specialty stores are covered, as well as trends in producer and consumer prices. Developments in the size of the consumer market and trends in the market are summarized.

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Distributed through
Book Division
Fairchild Fashion Group
Division of Capital Cities Media, Inc.
New York

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E. B. Gold, Manager
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Standard Book Number: 87005-722-7
Printed in the United States of America

TOILETRIES, COSMETICS, FRAGRANCES & BEAUTY AIDS

EXECUTIVE SUMMARY

In 1989, consumer expenditures reached $27.9 billion for toilet articles and preparations (including soaps, dentifrices, and other personal care items), according to the Bureau of Economic Analysis. This total rose 6.5% over 1988.

According to the Household & Personal Products Industry (HAPPI), the 1989 retail sales of fragrances totaled $2.67 billion, with a 7% increase in dollars projected for 1990, while sales in units remain flat. Sales of skin care totaled $4 billion, with $3 billion in facial treatments, $940 million for hand and body lotions, and $60 million for men's skin care. 10% of growth is expected in 1990.

As anticipated ad spending rises 6.2% in 1990, expenditures by cosmetics, fragrance and toiletries companies should grow an average of 7%, according to industry sources. These companies are turning away from heavy promotional spending and reinvesting in consumer advertising in an attempt to increase brand share.

The value of both imports and exports of toilet goods are projected to rise 15% in 1990 compared to 1989, according to the International Trade Administration. 1989 imports and exports rose an estimated 25% and 20% respectively, over the previous year.

1989 product shipments of toilet preparations totaled $16.7 billion, 5.8% higher than in 1988, according to the International Trade Administration.

Market Trends

Merger and acquisition mania has continued to sweep the beauty business as companies find that acquiring an established brand is generally less expensive than developing a new one. Two of the recent major changes to take place included the merger of the Noxell Corp. with Proctor & Gamble, and the acquisition of Faberge, Elizabeth Arden and Calvin Klein Cosmetics by Unilever. With enormous financial advantages over small rivals, these giant packaged goods companies are likely to increase the impact of advertising on cosmetics, and future product development should be driven more by technological innovation than by fashion whims, according to industry sources.

Consolidation is likely to continue. Analysts predict a gradual disappearance of medium-sized companies as independent businesses, and the emergence of large multinational manufacturers. Proctor & Gamble, Revlon and Unilever should continue to increase market share in the cosmetics industry in the 1990s; however, prestige names such as L'Oreal and Estee Lauder are expected to maintain their domination of the fragrance market.

Market Trends (continued)

Recent financial upheaval and closing of some of the major department stores has caused great concern to manufacturers, especially those producing prestige cosmetics and fragrances. As a result, many are now selling their products in fewer stores, and they have started to eye other distribution alternatives with interest. In turn, retailers have been monitoring inventory levels and cutting back on purchasing and promotions. They have also become aware of the problem of diminishing store traffic, caused somewhat by the rise in the population of working women who have less time to shop.

The baby boom population (born 1946-1964) is aging, and producers of cosmetics and toiletries are very much affected by the rapidly changing needs and wants of this group in coming years. The population under age 35, now 55% of the U.S. total, will decline to 48% by year 2000, and 41% by 2030. The population age 35 to 54 will increase 25.5% by 1990 and represent 28% of the population compared with 25.1% in 1990. Cosmetics companies are responding to this development by introducing intensive treatment products designed to hide the effects of aging, and fragrances are being developed for consumers with a diminishing sense of smell.

The ethnic market for products designed for darker skin and special hair care has been growing faster than the rest of the cosmetics market, according to the International Trade Administration, as shipments rose 12% to $2 billion in 1989. Many cosmetics companies are rushing to adapt to this group, which currently accounts for 20% to 25% of the total U.S. population, and is expected to represent 30% by the year 2000, according to Kline & Company. Sales of cosmetics and fragrances for children, a new and emerging market, has also been experiencing growth, as baby boomers with greater disposable income have more money to spend on their children.

The toilet preparations industry (SIC 2844), as defined in government data, consists of cosmetics, fragrances and toiletries, with skin and hair care the largest segments. The value of skin care product shipments has been growing at a 12% annual rate since 1982, spurred by sun care products, which experienced a 16% annual growth rate, according to the ITA. Manufacturers have moved away from a general approach to face and body care, creating products targeted for specific body areas. They have also developed self-tanners and products with higher SPF's, thus bringing sales growth of sun care items into the high teens.

Shipments of hair care products grew 8% annually since 1982, as retail sales reached $4 billion in 1989. New products by entrepreneurs and salons contributed to this growth, especially hair styling items.

Sales of fragrances have been flat, although an expected wave of new launches are keeping manufacturers optimistic. "Aromachology", a new category of fragrances created for behavior therapy used to relieve stress, restlessness, etc., is also being developed, although few scents are expected to be on the market before 1994.

Market Trends (continued)

Analysts predict that mass market outlets, including drugstores and supermarkets, will become the department stores of the future for the fragrance industry, as several prestige producers develop scents for this market. Nearly 70% of cosmetics sales come through distribution outlets, and demand for high-quality, mid-priced items, especially in skin care, may cause an increase in sales of these brands. Technological advances influencing the development of improved lower-priced cosmetics might lead consumers to question the value of high-priced department store cosmetics in the future. As a result, industry sources predict a possible decline for prestige color cosmetics in the 1990s, although they should continue to dominate in fragrances.

AT THE MANUFACTURER LEVEL

GENERAL INDUSTRY STATISTICS

The toilet preparations industry, as defined in government reports based on the 1987 Standard Industrial Classification system, covers a wide variety of personal care products, including those which this Fact File is primarily concerned as well as other products. The total value (revised) of industry shipments in 1987 reached $14.6 billion, according to the Census of Manufactures.

A complete Census of Manufactures is compiled every five years by the U.S. Bureau of the Census, and results for 1987 have recently been published. Key results thus far available on the toilet preparations industry are covered in this Fact File. In intercensal years, the Census Bureau conducts annual surveys among a representative sample of U.S. manufacturers to provide a continuous series of basic industry statistics.

Another government source, the International Trade Administration (U.S. Department of Commerce) issues an annual Industrial Outlook report, which projects industry trends based on Census Bureau compilations.

The ITA estimated industry shipments (which include all products, both primary and secondary, made in plants in the specified industry classifications, plus miscellaneous receipts and contract work) at $16.2 billion in 1989, an increase of 5.8% over their 1988 estimate, and 11% over the 1987 Census total.

The Toilet Preparations Industry (SIC 2844*)

	1987	1986	1982	% Change 1987/1982
Number of companies**	649	na	596	8.9%
Number of establishments (plants)***	694	na	639	8.6
Number with 20 or more employees	272	na	257	5.8
Employees, total (thous.)	58.5	58.8	60.4	-3.1
Production workers (thous.)	35.4	33.8	35.8	-1.1
Payroll (mil. $)	$ 644.3	$ 615.4	$ 520.7	23.7
Value added by manufacture# (mil. $)	10,801.1	9,725.1	7,130.6	51.5
Value of industry shipments## (mil. $)	14,592.2	13,332.9	10,183.2	43.3
Capital expenditures, new (mil. $)	225.5	276.9	220.7	2.2
New machinery & equipment (mil. $)	175.1	na	151.4	15.6

na not available

* Standard Industrial Classification (SIC) 2844: includes establishments (plants) primarily engaged in manufacturing perfumes (including those blending and compounding perfume bases) and cosmetics, creams, lotions, etc. It also includes manufacturers of a large variety of products which are not the primary focus of this Fact File (but cannot be separated out of SIC-based data), such as dentrifices, shaving preparations, mouth washes, shampoos, etc.

** A company is defined as a business organization consisting of one establishment or more under common ownership or control.

***Includes establishments with payroll at any time during the year. Auxiliary locations (warehouses, etc.) are not included.

# Value added by manufacture is derived by subtracting the cost of materials, fuel, etc., from the value of shipments and other receipts, with adjustments for finished and work-in-process inventories. It avoids the duplication in evaluating shipments which results from the use of products of some manufacturing establishments as materials by others, and is, for most purposes, the best measure of individual industries.

## Industry shipments include both products described as primary to the industry, as well as secondary products and miscellaneous receipts. The amounts shown as value of shipments for each industry and for individual products or classes of products are the net selling values, f.o.b. plant, after discounts and allowances, and excluding freight charges and excise taxes. For value of shipments of specific toilet preparations made by all manufacturers, including those making them as secondary products, see the section on PRODUCT SHIPMENTS.

Source: U.S. Bureau of the Census:
1987 Annual Survey of Manufactures
(MC 87-1-28D)

GENERAL INDUSTRY STATISTICS

Real growth in the value of toilet preparations industry shipments/receipts, eliminating the effects of inflation, was estimated by the ITA at 2.8% in 1988 compared with 1987 and at 3.8% in 1989 over 1988. Real growth, measured in 1987 dollars, was expected to slow to 3.7% in 1990 compared with 1989.

Toilet Preparations Industry (SIC 2844) Shipments: 1988-1990
(Constant 1987 dollars, in millions)

			% Change		
1990(f)	1989(e)	1988(e)	1990/1989	1989/88	1988/87
$ 15,975	$15,403	$14,835	3.7	3.8	2.8

(f) forecast
(e) estimate subject to revision based on 1987 Census of Manufactures reports.

Source: International Trade Administration,
U.S. Department of Commerce: 1990 U.S. Industrial Outlook

Employment & Earnings

In 1988, employment in the U.S. toilet preparations industry reached a record total of 71.9 thousand, which was almost 7% higher than in 1987. Preliminary figures by the Bureau of Labor Statistics (BLS) for 1989 register a decline to 71.3 thousand. Production worker employment registered a 5.3% gain in 1988 over 1987, and preliminary estimates indicate a strong 15.6% gain for 1989. (1989 figures are, however, subject to considerable revision.)

BLS figures on employment differ from Census Bureau figures due to differences in methodology in data compilation.

	Annual Averages			% Change
	1989(p)	1988	1987	1989/88
All employees (thous.)	71.3	71.9	67.4	-0.8%
Production workers (thous.)	48.2	41.7	39.6	15.6
Average weekly earnings	$363.47	$352.64	$365.24	3.1
Average hourly earnings	$ 9.49	$ 9.28	$ 9.27	2.3
Average weekly hours	38.3	38.0	39.4	0.8
Average weekly overtime hrs.	1.7	2.2	2.4	-22.7

(p) preliminary

Source: U.S. Bureau of Labor Statistics:
Annual Supplement and Monthly Employment & Earnings

Industry Productivity

Productivity measurements by the BLS show a decline in levels since 1977, although there has been improvement in the two most recent years reported--1987, 1986. Productivity for production workers gained an average 3.2% in 1958-1987 and 2.2% for nonproduction workers.

Industry Productivity (continued)

Indexes in Output per Employee Hour & Output Per Employee in the Toilet Preparations Industry: 1980-1987

	1987	1986	1985	1984	1983	1982	1981	1980
Output:								
Per employee hour	96.2	94.3	87.3	85.2	86.2	84.0	76.1	83.6
Per employee	96.8	94.1	87.3	85.9	87.6	84.3	76.3	84.4

Source: U.S. Bureau of Labor Statistics: Productivity Measures for Selected Industries and Government Services (Bulletin 2349)

Concentration in the Industry

Most establishments (47.6%) in the toilet preparations industry had under 10 employees in 1987, followed by 28.4% with 10 to 49 employees, according to the Census Bureau, with not much change occurring since 1982, when these figures were 48% and 27.5% respectively. Establishments with 500 to 999 employees, however, accounted for the largest share of value added by manufacture--29.8% in 1987, followed by a 28.9% share held by establishments with 250 to 499 employees.

The Toilet Preparations Industry By Employment Size: 1987

	Establishments		Employees		Value Added By Manufacture		Value of Industry Shipments	
	Number	%	Number (thous.)	%	Mil. $	%	Mil.$	%
Toilet preparations, total (SIC 2844)	694	100.0	58.5	100.0	$10,801.1	100.0	$14,592.9	100.0
Under 10 employees	330	47.6	1.2	2.1	162.3	1.5	221.7	1.5
10 - 49 employees	197	28.4	4.6	7.9	552.2	5.1	783.1	5.4
50 - 99 employees	42	6.1	2.9	5.0	422.9	3.9	670.5	4.6
100 - 249 employees	57	8.2	8.7	14.9	1,122.4	10.4	1,669.8	11.4
250 - 499 employees	37	5.3	13.5	23.1	3,124.4	28.9	4,207.1	28.8
500 - 999 employees	24	3.5	16.8	28.7	3,219.8	29.8	4,243.1	29.1
1,000 - 2,499 employees	7	1.0	10.9	18.6	2,197.0	20.3	2,797.6	19.2

Source: U.S. Bureau of the Census: 1987 Census of Manufactures, (MC87-I-28D)

According to the Sales & Marketing Management, July 1990, there was a total of 1,614 plants with $6,755.8 million in shipments receipts of toilet preparations in 1989. Large plants with 100 or more employees represented only 7.5% of total plants and accounted for 67% of industry shipments--reflecting less concentration of shipments accounted for by large plants, according to this source.

GENERAL INDUSTRY STATISTICS

Leading Manufacturers

The cosmetics and fragrance industry has been experiencing tremendous consolidation through mergers and acquisitions, as intense competition and high costs make acquiring an established brand more attractive than creating a new one. As such activity is expected to continue, analysts predict the emergence of large multinational cosmetics and fragrance companies, and the disappearance of medium-sized independent businesses. Most companies should have symbiotic ties to department stores, as the financial stability of these outlets has a great impact on sales of prestige brands.

Changes that took place include the $300 million sale of Schering Plough's Maybelline to a leveraged buyout group, and members of Playtex Family Products Corp. Maybelline, the number two mass market cosmetics brand, achieved $282 million in sales in 1989, earning the brand a 17.3% dollar share and an 18% unit share of the $3 billion mass cosmetics market, according to Advertising Age.

Cover Girl, the number one mass market brand, was acquired by Proctor & Gamble along with Clarion and Noxzema, the other divisions of the Noxell Corporation. Cover Girl captured a 20.2% dollar share and a 21.5% unit share of this market in 1989. Revlon followed Maybelline with a 17.3% dollar share and a 13.3% share in units, according to Advertising Age.

Proctor & Gamble also agreed to buy most of American Cyanamid Company's men's toiletries and fragrances business--which includes Old Spice and Santa Fe, for $300 to $370 million. This also gives Proctor & Gamble a strong position in the men's personal care category.

Unilever went on the biggest shopping spree with its purchase of Minnetonka's Calvin Klein Cosmetics for $306 million, and Faberge/Elizabeth Arden from Meshulum Riklis for $1.55 billion, thus making it the leading worldwide cosmetics and personal care marketer, followed closely by L'Oreal, according to Advertising Age. With Elizabeth Arden's new structure to include Parfums International and the Erno Laszlo divisions, the company's president projects it to grow at least 20% annually for the next several years.

The entrance of such giant consumer goods companies as Unilever and Proctor & Gamble into the beauty business may greatly impact the advertising and marketing strategies of the industry, as they have a financial advantage over smaller companies and expertise in the marketing of consumer products.

A group from Mary Kay Cosmetics has acquired a 6.9% stake in Avon Products, Inc. Mary Kay, also a direct seller of cosmetics, had annual sales of $400 million in 1988, compared with Avon's $3 billion that year, according to Women's Wear Daily. Avon is growing quickly overseas, where it doesn't have as much competition from drug chains.

Leading Manufacturers (continued)

With 1989 sales estimated at $1.89 billion, Estee Lauder is the leading seller of prestige department store brands. Its four brands, Estee Lauder, Clinique, Aramis and Prescriptives, take in 33% of the business at U.S. department store counters, according ~~to~~ Business Week. Sales of Prescriptives, the company's fastest growing line, reached an estimated $82 million in 1989.

Great competition comes from Paris-based companies, such as Chanel, Christian Dior, and Clarins. L'Oreal has significantly gained market share with its Lancome brand, and Revlon Group has been launching new ad campaigns in an effort to revive its broad lineup of prestige brands.

Although Revlon holds a 36.7% share in drug stores, it has a less than 10% share in department stores, where it sells nine different brands. L'Oreal SA was the world fragrance leader in 1989 with sales of $650 to $700 million, followed by Estee Lauder with $600 million. With its acquisition of Parfums Stern, Inc., Sanofi now ranks third in the prestige fragrance market.

The five largest manufacturers of prestige cosmetics and fragrances in the U.S., estimated by Business Week, accounted for 73%, $5 billion of the U.S. prestige cosmetics and fragrance market in 1988.

Estee Lauder took a 37.8% share, Cosmair followed with 13.4%. Unilever entered into the cosmetics and fragrance markets with the acquisitions of three cosmetics companies. Unilever estimates the prestige category accounts for a third of worldwide sales and more than half of perfume sales, with the entire worldwide prestige market valued at $8 billion annually and growing 10% a year.

Market Share of Leading Manufacturers of Prestige Cosmetics & Fragrances: 1988

Manufacturer	Brands	1988 Market Share
Estee Lauder	Estee Lauder, Clinique, Prescriptives	37.8%
Cosmair	Lancome, Biotherm, Designer Fragrances	13.4
Unilever	Elizabeth Taylor's Passion, Calvin Klein Fragrances Elizabeth Arden	8.3
Revlon	Revlon, Princess Marcella, Borghese, others	8.2
Avon	Giorgio, Oscar de La Renta, Others	5.3

Source: Business Week, July 31, 1989

GENERAL INDUSTRY STATISTICS

Location of the Industry

California had the greatest number of plants (130) manufacturing toilet preparations in 1987, 49 of which had 20 or more employees. New Jersey, however, ranked first in terms of the value added by manufacture, with $2.4 billion. Although Illinois had just 37 plants, their total value added in this manufacturing operations reached $1.2 billion, placing this state in third place after New York ($1,261 million).

Leading Manufacturing States in the Toilet Preparations Industry: 1987

	No. of Plants		Value Added By Manufacture
	Total	No. with 20 or more Employees	(Mil. of $)
United States	694	272	$10,801.1
California	130	49	746.8
New York	109	39	1,261.5
New Jersey	99	61	2,397.1
Texas	51	7	301.9
Florida	39	7	128.9
Illinois	37	18	1,192.4
Ohio	21	9	647.5
Pennsylvania	18	4	40.9
Connecticut	17	6	(D)
Massachusetts	15	5	(D)

Note: States are ranked by total number of establishments (plants).

(D) Withheld to avoid disclosing data for individual companies.

Source: U.S. Bureau of the Census:
1987 Census of Manufactures (MC87-1-28D)

PRODUCTION

The index covering the quantity of toiletries, including soaps, produced in the U.S. compiled by the Federal Reserve Board, registered an annual average of 228.3 in 1989--or 128.3% above the base period, 1977. Soap and toiletries production was up 8.6% from 1988 and was 30% ahead of 1985 production. By comparison, output of all consumer goods last year was 4.2% over 1988, and 15.6% greater than the 1985 total.

PRODUCTION

Industrial Production Indexes: 1985-1989
(1977 = 100)

	1989	1988	1987	1986	1985
Total industrial production	141.8	137.2	129.8	125.1	124.5
All consumer goods	139.5	133.9	127.8	124.0	120.7
Soaps & toiletries	228.3	210.2	188.9	182.9	175.6

Source: Board of Governors,
Federal Reserve System: Industrial Production (G12.3)

Capacity Utilization Rates

The U.S. Bureau of the Census conducts an annual survey of plant capacity which covers operations in the fourth quarter of the year. Measures on capacity utilization include a rate which is based on plant operators' preferred level of operations, i.e. generally considered to be the rate at which profits will be maximized.

The toilet preparations industry operated at an average 75% of the industry's preferred rate in the fourth quarter of 1988 (latest figure available), and has registered below the 1985 rate of 79 in the 1986-1988 period.

Capacity Utilization Rates in the Toilet Preparations Industry (SIC 2844) Fourth Quarters 1985-1988

Percent of Preferred Rate			
1988	1987	1986	1985
75	77	72	79

Source: U.S. Bureau of the Census: Current Industrial Reports: Survey of Plant Capacity, 1988 (MQC1(88)1)

Materials Consumed

Delivered costs of materials, containers and supplies in the toilet preparations industry reached $3.4 billion in 1987, rising 21% during the five year interval between the 1982 and the 1987 Census of Manufactures, according to the Census Bureau. The delivered cost of materials not only includes the price for the material, but also freight charges and any other charges incurred by the establishment in acquiring these materials.

Materials Consumed (continued)

Delivered Costs of Materials Consumed in the Production of Toilet Preparations: 1982, 1987

	Delivered Cost (Mil. of $)	
	1987	1982
Toilet preparations (SIC 2844)		
Materials, containers, & supplies	$3,367.6	$2,728.3
Perfume oil mixtures & blends	216.2	178.5
Perfume materials (synthetic organic)	50.9	73.4
Essential oils, natural	102.7	54.0
Bulk surface active agents (not sulfonated oils & fats)	63.6	125.1
Fats, oils, greases & fallow (animal & vegetable)	75.3	64.5
Industrial gases (incl. argon, carbon dioxide, nitrogen, nitrous oxide, not halogen)	5.1	13.5
Refined petroleum products (incl. mineral oil, solvents, waxes, etc.)	71.1	67.8
Alcohols	60.5	59.4
Other synthetic organic chemicals	106.4	296.6
Silicates	49.6	32.2
Fabricated plastics products, except containers	127.2	127.6
Containers:		
Plastics	633.5	431.6
Glass	169.7	203.9
Paper, incl. shipping sacks & other paper packaging supplies	383.0	315.1
Metal	150.9	123.8
All other materials & components, parts, containers & supplies	441.3	356.2
Materials, containers, & supplies, n.s.k.	660.5	205.1

n.s.k. not specified by kind

Source: U.S. Bureau of the Census:
1987 Census of Manufactures
(MC87-1-28D)

PRODUCT SHIPMENTS

In the 1990 U.S. Industrial Outlook, the Department of Commerce/International Trade Administration reported trends and forecasts on the value of U.S. manufacturers shipments of toilet preparations. In contrast with the data reported on page 4 covering industry shipments, these values cover shipments by all U.S. producers, regardless of the plants' primary SIC classifications, and are usually designated as "product shipments".

PRODUCT SHIPMENTS

The summary below includes the value of all toilet preparations (SIC 2844). The skin and hair care markets, however, are the largest segments of the cosmetics industry. The value of skin-care shipments has been growing at an annual rate of 12%, reaching an estimated $2.8 billion in 1989, accord- ing to the ITA. Sun-care products, which reached about $205 million in 1989, have been growing by more than 8% a year. With an estimated $4.2 billion in 1989 shipments, hair-care products have also been growing more than 8% a year, while the more mature fragrance sector grew at an annual rate of only 4% a year, reaching $2.1 billion. The ethnic market for products designed specifically for darker skin and special hair care has been growing faster than the rest of the cosmetics market, as shipments rose 12% in 1989 to $2 billion. (Note: Data includes products for professional as well as consumer markets.)

The ITA projects 1990 shipments of color cosmetics, skin-care products, and nail products to total $8.5 billion, while shipments of hair-care products reach $4.6 billion, fragrance products reach $2.2 billion and shaving products and dentrifices reach $600 million and $1.4 billion, respectively. The constant dollar value of cosmetics shipments is projected to grow at an annual rate of 3.4% through 1994.

Value of Toilet Preparations
Shipped By All U.S. Producers
(Millions of dollars)

	1990(f)	1989(e)	1988(e)	1990/89	1989/88
Toilet preparations (SIC 2844)					
In current dollars	nr	16,707	15,785	--	5.8%
In 1987 dollars	16,470	15,880	15,295	3.7%	3.8

nr not reported
(e) estimated and subject to revision based on 1987 census results.
(f) forecast

Source: U.S. Department of Commerce:
International Trade Administration
1990 U.S. Industrial Outlook

The most comprehensive information on shipments of specific products by all U.S. manufacturing plants, regardless of industry (or plant) classification, is contained in the Census Bureau's reports on the complete census of manufactures taken every five years (the latest covering 1987), supplemented by the annual surveys among a sample of manufacturers taken in intercensal years, which result in estimates subject to revision.

The value of all products in the toilet preparations classification (as defined for SIC 2844, which includes shaving products, dentrifices and such as well as the cosmetics, toiletries and fragrance products which are the subject of this Fact File) was reported at $14.9 billion in 1987, 42.4% over the 1982 total (in current dollars) and 8.1% over the 1986 estimate.

PRODUCT SHIPMENTS

Value of Shipments of Specified Toilet Goods Classifications By All U.S. Producers: 1977, 1982, 1985-1987

(Millions of current dollars)

	1987	1986(e)	1985(e)	1982	1977
Toilet preparations, (all types)	$14,868.1	$13,746.7	$13,425.3	$10,437.1	$6,393.5
Perfumes, toilet water & colognes	1,995.3	2,026.8	1,797.8	1,634.1	1,096.8
Hair preparations (incl. shampoo)	3,602.1	3,236.9	3,231.3	2,430.0	1,474.9
Other cosmetics & toilet preparations	6,489.1	6,028.3	5,879.2	4,266.5	2,597.4
Toilet preparations, n.s.k.	899.5	730.7	628.7	598.9	296.6
Other: (shaving preparations, dentrifices, etc.	1,882.1	1,724.0	1,888.3	1,507.6	927.8

n.s.k. not specified by kind.
(e) estimate based on annual survey of manufactures.

Source: U.S. Bureau of the Census:
1987, 1982, 1977 Census of Manufactures;
Annual Survey of Manufactures

The complete census reports include information in greater detail on specific product classifications. It should be noted that the toilet goods information includes products for professional use, as well as those not covered in this Fact File. The following table attempts to segregate those products of major interest which are produced for non-professional use, as reported in the 1987 and 1982 censuses of manufactures.

PRODUCT SHIPMENTS

Value of Shipments of Specified Products: 1982, 1987

(Millions of dollars)

	No. of Companies With Shipments of $100,000 or More		Total Value of Shipments* (Mil. of $)		% Change
	1987	1982	1987	1982	1987/82
Toilet preparations, total	na	na	$14,868.1	$10,437.1	42.5%
Selected products, total	--	--	7,830.5	5,716.6	37.0
Fragrances	na	na	1,995.3	1,634.1	22.1
Perfume oil, mixtures & blends	21	36	420.2	324.9	29.3
Perfumes	26	33	205.0	227.3	- 9.8
Toilet waters	15	23	219.8	322.6	-31.9
Colognes	36	40	965.1	750.4	28.6
Perfumes, toilet water	na	na	185.2	8.9	1,980
Hair preparations--selected types (excl. prof. hair color, etc.)	--	--	994.0	679.0	46.4
Shampoos (consumer use)	33	30	253.5	132.7	91.0
Hair dressings (incl. brilliantines, creams, pomades)	22	15	108.5	70.8	53.2
Hair spray	62	56	597.2	392.9	52.0
Hair rinses	12	11	34.8	82.6	-57.9
Cosmetics and toil. (spec. types)	--	--	4,841.2	3,403.5	42.2
Cosmetics (specified types)	--	--	3,513.3	2,338.1	50.3
Creams:			1,214.9	613.5	98.0
Cleansing creams	na	31	182.3	177.7	2.6
Foundation creams	26	22	494.1	143.4	244.6
Lubricating creams	27	22	370.9	186.3	99.1
Other creams	25	23	167.6	106.1	58.0
Lotions, oils (excl. hair, aftershave, bath)	--	--	985.0	668.5	47.3
Suntan, sunscreens	57	22	191.4	96.1	99.2
Cleansing lotions	20	23	124.5	89.0	39.9
Cosmetic oils	13	15	25.6	32.4	-21.0
Hand lotions	62	44	357.1	206.8	72.7
Other lotions	30	21	286.4	244.2	17.3
Lipstick, other lip preparations	47	34	502.6	395.5	27.1
Blushes	24	28	154.3	161.6	-4.5
Eye preparations	36	33	656.5	499.0	31.6
Manicuring preparations:	--	--	381.4	316.7	20.4
Nail polishes	23	28	281.7	234.0	20.4
Polish removers	12	15	49.9	42.9	16.3
Other products	10	8	49.8	39.8	25.1
Powder:	--	--	397.6	367.3	8.2
Talcum, toilet powder	30	35	213.8	213.2	0.3
Face powder	26	25	136.6	111.5	22.5
Other powder	7	14	47.2	42.6	10.8
Bath salts, tablets, oils, bubble baths	39	37	151.0	169.2	-10.8
Other cosmetics, toiletries	36	23	397.9	212.2	87.5

na not available

* Data reported by all producers, not just those with $100,000 of shipments or more.

Source: U.S. Bureau of the Census: 1987 Census of Manufactures (MC87-1-28D)

PRODUCT SHIPMENTS

By Geographic Region

Value of Shipments of Toilet Preparations
By Leading States: 1987
(Millions of dollars)

	1987	% of U.S. Total
Perfumes, toilet water, & colognes:		
United States	$1,995.3	100.0%
New Jersey	742.3	37.2
New York	284.9	14.3
North Carolina	177.7	8.9
California	13.6	0.7
Hair preparations (incl. professional use products)		
United States	3,602.1	100.0%
Illinois	656.1	18.2
California	452.9	12.6
New Jersey	378.0	10.5
Minnesota	354.1	9.8
New York	103.3	2.9
Georgia	74.9	2.1
Other cosmetics & toilet preparations		
United States	6,489.1	100.0%
New Jersey	1,366.7	21.1
New York	1,096.1	16.9
Ohio	451.6	7.0
Illinois	416.8	6.4
North Carolina	334.8	5.2
California	318.4	4.9

* Includes deodorants, depilatories and other products not listed in the previous table.

Source: U.S. Bureau of the Census:
1987 Census of Manufactures
(MC87-280)

FOREIGN TRADE

The International Trade Administration forecasts a 15% increase in both imports and exports of toilet goods (which includes cosmetics, fragrances & toiletries) in 1990 compared to 1989. The 1989 estimate of the value of imports reached $650 million, 25% over 1988, while export value totaled $600 million, 20% higher.

FOREIGN TRADE

The rise in exports can be attributed to the generally low value of the U.S. dollar against foreign currencies, and an increasing demand for certain U.S. cosmetics products in the expanding economies of Japan and Europe. The largest export market for the U.S. was Canada, followed closely by the United Kingdom, and then Japan. Unification of the European market in 1992 may present both opportunities and problems to U.S. companies, as new barriers and regulations may be created. The changes occurring in the Eastern European bloc have prompted L'Oreal to establish a joint Soviet production venture, and Estee Lauder to open shops in Moscow and Budapest, according to Women's Wear Daily. U.S. firms are also finding it easier to export to Japan, where laws and regulations have changed since 1982. Japanese demand for American toiletries has increased, especially for shampoos and other hair care products.

Countries with developing economies have also demonstrated increasing interest in American products, an example being the great demand for ethnic hair products in some West African nations. Such interest from developing countries can be advantageous to the U.S., as there is usually no local industry to compete with in these countries. The great number of large multinational corporations has improved marketing and promotion for all U.S. goods all over the world, according to Women's Wear Daily.

U.S. Foreign Trade in Toilet Goods, 1988-1990
(Value in millions of dollars)

				% Change	
	1990(f)	1989(e)	1988	1990/89	1989/88
Total goods:					
Value of imports	750	650	518	15.4%	25.4%
Value of exports	690	600	502	15.0	19.5
Export/shipment ratio	--	0.031	0.028	--	10.7
Import/new supply ratio*	--	0.037	0.032	--	15.6

(e) estimate
(f) forecast
* New supply is the sum of product shipments (not industry shipments) plus imports.

Source: U.S. Department of Commerce,
International Trade Administration:
1990 U.S. Industrial Outlook

PRODUCER PRICE INDEX

The Producer Price Index for cosmetics and toilet preparations, a measure of average changes in prices (f.o.b. plant), rose 3.8% from December 1988 to December 1989, according to the U.S. Department of Labor. This follows a 2% rise in the price of these products in Dec. 1988 over Dec. 1987.

In comparing May 1990 with May 1989, prices for hair preparations, hair spray, hair tonics and face powders actually decreased, while all others rose, the highest growth at 11% for colognes and toilet water.

At 119.3 in 1989, the annual average producer price index for cosmetics and other toilet preparations rose 2.6 over 1988, and 4.7% over 1987.

Producer (Factory) Price Index for Specified Toiletries & Cosmetics
(1982 = 100, unless otherwise indicated)

	May 1990	% Change May 1990/89	December 1989	% Change December 1989/88
Cosmetics and other toilet preparations	121.9	2.8%	120.9	3.8%
Shaving preparations	108.1	1.8	107.3	2.6
Perfume, cologne & toilet water	134.4	8.4	132.2	8.2
Perfume	126.5	3.3	123.0	2.3
Cologne & toilet water	138.1	11.0	136.7	11.2
Hair preparations	116.6	-1.9	116.7	0.3
Hair tonics, incl., conditioners	110.5	-2.6	109.5	1.7
Hair dressings	128.1	3.0	126.5	1.6
Hair sprays	110.1	-0.4	111.0	0.5
Home & commercial permanents	126.6	10.1	122.0	6.3
Creams	135.5	3.8	134.7	6.3
Cleansing creams	142.4	5.2	142.4	8.3
Foundation creams	135.3	5.8	135.0	6.9
Lubricating creams	129.3	1.7	127.4	6.0
Other creams	133.9	2.8	132.9	2.9
Lotions & oils	120.7	0.8	120.3	4.0
Suntan & sunscreens	124.8	0.4	na	--
Other lotions & oils	113.1	1.2	112.8	7.4
Cosmetics	128.5	2.9	126.8	5.0
Lip preparations	107.3	7.2	101.0	10.5
Blushes	132.7	2.8	131.6	3.5
Eye preparations	148.5	0.7	150.2	2.7
Manicure preparations	119.9	0.3	119.8	0.4
Powders	131.4	4.5	127.0	1.0
Face powder	126.9	-2.1	133.4	2.9

na not available

Source: U.S. Bureau of Labor Statistics

Annual Average Producer Price Indexes: 1987-1989
(1982 = 100)

	1987	1988	1989
Cosmetics and other toilet preparations	113.9	116.3	119.3

Source: U.S. Dept. of Labor:
Bureau of Labor Statistics

ADVERTISING EXPENDITURES: NATIONAL

As anticipated, total ad spending rises 6.2% in 1990, expenditures by cosmetics, fragrance and toiletries companies should grow an average of 7%, according to industry sources. These companies are turning away from heavy promotional spending and reinvesting in consumer advertising in an attempt to increase brand share.

Total ad spending on toiletries in 1988 (latest full year figures) reached $2 billion for the nine media listed below, 15.3% higher than in 1987. The largest share of total spending was in network TV, followed by magazines. Spot radio expenditures fell 16.2%, as outdoor advertising rose 146.7%.

Advertising Expenditures On Toiletries & Toilet Goods, 1987, 1988
(Millions of dollars)

	1988	1987	% Change 1988/87
Total	$2,004.1	$1,738.9	15.3%
Network TV	890.5	889.4	0.1
Magazines	553.0	455.4	21.4
Spot TV	281.5	263.1	7.0
Network Radio	26.0	24.7	5.3
Spot Radio	19.6	23.4	-16.2
Newspaper	30.2	26.7	13.1
Outdoor	3.7	1.5	146.7
Cable TV	69.2	54.8	26.3
Syndicated TV	130.2	nr	--

nr not reported

Source: Leading National Advertisers,
LNA/BAR Multi-Media Service,
Radio Expenditure Reports

In its Leading National Advertisers report, the Publishers Information Bureau details spending on consumer magazine advertising space by cosmetics, toiletries and fragrance companies. Revlon, Estee Lauder, Unilever and Schering-Plough, the bigger manufacturers with products in many cosmetics and toiletries categories, were among the largest magazine advertisers for all noted categories.

ADVERTISING EXPENDITURES: NATIONAL

Leading Cosmetics, Toiletries & Fragrances Advertisers' Spending For Space in Consumer Magazines: 1988, 1989

Skin Care Products	Space Costs ($000) 1989	Space Costs ($000) 1988
Proctor & Gamble	$ 20,163.0	$ 11,802.1
Estee Lauder, Inc.	8,110.6	7,611.2
Unilever	6,870.3	5,668.1
Warner Lambert	6,238.2	4,830.4
Revlon Group, Inc.	5,844.0	82.1
Neutogena	5,316.6	5,227.3
Bristol Myers-Squibb	5,084.4	2,369.5

Lip & Eye Beauty Products	Space Costs ($000) 1989	Space Costs ($000) 1988
Revlon Group, Inc.	$ 12,119.6	$ 11,042.4
Schering-Plough Corp.	10,863.3	9,443.1
Noxell Corp.	7,855.5	5,817.9
Estee Lauder, Inc.	5,218.9	2,521.1
Nestle SA	5,179.6	5,408.6

Facial Make-Up Products	Space Costs ($000) 1989	Space Costs ($000) 1988
Noxell Corp.	$ 7,910.8	$ 12,072.8
Nestle SA	5,518.9	2,506.5
Revlon Group, Inc.	5,504.1	5,860.6
Shering-Plough Corp	3,066.6	5,170.5
Pfizer, Inc	2,986.9	3,958.6
Estee Lauder, Inc.	2,341.4	4,074.2

Manicure Preparations & Implements	Space Costs ($000) 1989	Space Costs ($000) 1988
Revlon Group, Inc.	$ 5,296.7	$ 6,776.5
Del Laboratories, Inc.	2,438.1	2,723.1
Noxell Corp.	2,156.8	1,047.7
Unilever NV	1,239.2	2,957.4

Scents & Fragrances	Space Costs ($000) 1989	Space Costs ($000) 1988
Revlon Group, Inc.	$ 15,075.4	$ 6,651.5
Unilever NV	9,972.2	9,233.5
Pfizer, Inc.	7,705.8	5,661.3
Estee Lauder, Inc.	7,015.4	6,175.5
Yves Saint Laurent, SA	5,572.5	5,912.1
Avon Products, Inc.	5,242.0	1,991.7
Nestle SA	4,383.2	7,166.1
Chanel, Inc.	3,923.9	2,155.3
Guerlain, Inc.	2,814.9	2,610.6

Source: Publishers Information Bureau:
Leading National Advertisers

ADVERTISING EXPENDITURES: NATIONAL

Estimates on advertising-to-sales ratios by industry are compiled by Schonfeld & Associates, Evanston, IL, from a variety of sources, including the 10K reports of publicly-held companies. The following summary has been published in Advertising Age from the complete report, "Advertising Ratios & Budgets," which includes forecasts.

In using the data it should be noted that expenditures included as advertising expense in 10-K reports may vary from company to company; privately-owned companies are not included, multi-industry companies are reported only in their primary industry (based on sales of their dominant line of business).

Note: The percents reported represent industry averages. Individual companies may spend much more or less.

Perfume, Cosmetic and Toilet Preparation Advertising Expenditures 1985 - 1989

	Ad Dollars As % of Sales	Ad Dollars As % of Margin*	Ad Dollars Annual Growth Rate %
1989	10.4%	16.1%	24.6%
1988	10.2	16.2	32.3
1986	9.4	14.6	5.6
1985	13.1	21.3	7.2

* Margin is net sales less cost of goods sold.

Source: Pansophic Systems and Schoenfeld & Associates (Advertising Age)

CONSUMER EXPENDITURES

The nation's consumers spent an estimated $29.7 billion for toilet articles and preparations of all types in 1989. This was 6.5% above the total of $27.9 billion reported by the Bureau of Economic Analysis for the year 1988. On a constant dollar basis, eliminating the effects of inflation, spending in 1989 gained 2.7% over 1988.

Included in the personal consumption figures compiled by the Bureau are cosmetics, fragrances and toilet preparations, as well as hair dryers and other personal care items. The figures include shampoos, hair sprays, etc. that are purchased over-the-counter by consumers in beauty salons and barbershops, but not those products that are used by the stylists to treat their customers.

Personal Consumption Expenditures For
Toilet Articles & Preparations, 1986-1989
(Billions of dollars)

	1989	1988	1987(r)	1986(r)	% Change 1989/88
Total, current $	$29.7	$27.9	$26.2	$24.6	6.5%
Total, constant 1982 $	23.0	22.4	21.9	21.0	2.7

(r) revised

Source: U.S. Department of Commerce,
Bureau of Economic Analysis:
Survey of Current Business

A pattern in household spending is developed by the U.S. Dept. of Labor, Bureau of Labor Statistics (BLS) through a quarterly survey among a representative sample of U.S. consumer units. Consumer units are roughly equivalent to households, but not exactly, as a household member with independent income and spending patterns is separately counted in the consumer unit count, but not in the household count as defined by the Census Bureau.

Reports are issued on the projected annual average expenditures for all U.S. consumer units, including in the base both purchasers and non-purchasers of the specified product, in terms of various household characteristics (income levels, regions, age of household head).

Spending by consumers such as tourists, foreign students, etc. who are not in households are not included. Findings in the 1988 Consumer Expenditure Survey were projected to a total of 94,862,000 consumer units. Average spending per consumer unit (household) for hair-care products in 1988 was reported at $37.79, projecting to a total of about $3.6 billion; average spending for cosmetics, perfume and bath products was reported at $72.52; projecting to $6.9 billion. Trade indicators suggest that these figures are too low to represent the total U.S. market; however, due to the difficulty in establishing defini- tions on product categories, on the marketing of professional as well as consumer products, and on the variety of outlet types involved, no exact figures on the volume of consumer spending for cosmetics, toiletries and fragrances are available.

The BLS data help establish a pattern in average expenditures per household based on various demographic characteristics.

CONSUMER EXPENDITURES

Differences in hair care and cosmetics products spending patterns by regions of the U.S. are noted in the BLS interview surveys for 1988. The following from the 1988 annual report shows that spending for the specified categories is above average per consumer unit particularly in the West (with 20.3% of the units), and in the Midwest (with 25.2%).

Spending Patterns of Consumer Units for Toiletries
By Region: 1988

	U.S.	Northeast	Midwest	South	West
Distribution of consumer units (number)	94,862	20,029	23,931	31,653	19,248
Percent	100.0%	21.1%	25.2%	33.4%	20.3%
Avg. expenditures*:					
Hair care products	$37.79	$34.12	$40.30	$34.72	$43.50
Cosmetics, perfume, bath preparation	72.52	52.99	74.99	67.15	98.37

Source: U.S. Bureau of Labor Statistics: 1988 Consumer Expenditure Survey

Spending Patterns of Consumer Units for Specified Toiletries
By Quintiles of Income Before Taxes, 1988

	Total	Lowest 20%	Second 20%	Third 20%	Fourth 20%	Highest 20%
Avg. age of householder (years)	46.9	51.8	49.6	45.4	42.9	44.8
Avg. size of households (persons)	2.6	1.8	2.3	2.6	3.0	3.1
Avg. household income (after taxes)	$26,149	$4,854	$12,309	$21,174	$32,125	$60,157
Avg. expenditures*:						
Hair care products	40.57	16.32	33.18	35.51	45.59	72.15
Cosmetics, perfume, bath preparation	77.63	35.18	52.59	74.09	91.87	134.22

* Based on all households, including both purchasers & non-purchasers.

Source: Same as above.

RETAIL SALES BY OUTLET TYPE

The 1987 Census of Retail Trade reports issued by the U.S. Bureau of the Census include merchandise line sales data based, in part, upon a survey among a sample of retailers. This resulted in estimates on total retail sales of 41 broad merchandise lines. For specialized lines, including cosmetics and beauty products of all types, because of problems primarily involving reportability, sales information is limited to some major outlet types and including only those with payroll.

Retail outlet types are as defined in the 1987 Standard Industrial Classification system. The census is compiled every five years. In comparing the 1987 data with the 1982 Census of Retail Trade some changes in store definitions must be considered. Department stores as defined in 1987 cover those which have 50 or more employees, a change from the previous cut-off of 25 or more. Leased department sales are not included in the department store figures in either year but are counted as specialty outlets.

The reported total sales of cosmetics in 1987 amounted to $8.8 billion. Lacking is information on sales in general merchandise stores not meeting the department store definition (variety stores, etc.), apparel specialty stores, specialized cosmetics stores, and other outlets.

Estimated Sales of Cosmetics, Fragrances, etc., in Reporting Retail Outlet Types: 1987

(Including only outlet types with payroll)

	Number		Sales of Cosmetics		
				% of total store sales of	
	Total	Selling Cosmetics	Total (mil. of $)	Stores Selling Cosmetics	All Stores
Total reporting retail outlets	204,680	80,308	$8,820.5	--	--
Department stores	10,041	9,448	4,586.4	nr	3.0
Conventional*	4,243	4,044	3,688.1	nr	7.7
Discount, mass merchandiser**	5,798	5,404	898.3	1.5	1.4
Drug stores***	49,570	34,253	2,653.5	6.2	5.1
Grocery stores	137,584	34,620	1,272.3	1.3	0.4
Catalog and mail order houses	7,227	1,729	271.9	6.0	1.3
Direct selling establishments (house-to-house, telephone, etc.)	258	258	36.4	55.1	--

nr not reported

* Stores that usually provide check-out and sales service within each department, and may have a catalog service. Sell both hard and soft goods which are primarily national brands at conventional prices.

** High-volume, fast-turnover outlets meeting the SIC department store definition, which sell merchandise at less than conventional prices, provide centralized check-out service, and do not have a catalog order service.

***Does not include proprietary stores.

Source: U.S. Bureau of the Census: 1987 Census of Retail Trade, Merchandise Line Sales (RC87-S-3)

RETAIL SALES BY OUTLET TYPE

Department Stores

In current 1987 dollars, not adjusted for inflation, the 1987 sales of cosmetics in department stores (including discount department stores) totaled $4,586.4 million, 19% above the 1982 total of $3,848.9, according to U.S. Census Bureau.

The recent financial woes of department stores has encouraged cosmetics manufacturers to consider every new distribution alternative for their products. They have been trying to shore up sales by working with healthy stores; doing more business in fewer doors. In turn, retailers are learning to grapple with debt burdens in an era of diminishing store traffic by carrying a narrower and deeper selection of cosmetics from larger high-volume companies, and are less inclined to carry the slower-moving lines, according to Women's Wear Daily.

American women are buying a smaller percentage of their cosmetics at upscale department stores. In 1985, upscale stores accounted for almost 18% of cosmetic sales, down to 15% in 1989, according to Forbes. This decline may spell trouble for high-end producers such as L'Oreal's Lancome, Revlon's Charles of the Ritz, Cermaine Monteil, and independents like Christian Dior and Chanel.

In 1988, Estee Lauder held the biggest share of the cosmetics sold in department stores at 37.8%. L'Oreal followed with 13.4%, with Unilever next at 8.3%, and Revlon with 8.2%, according to Business Week.

The National Retail Merchants Association compiles an annual report on merchandising and operating results by merchandise classifications in specialty stores (women's and family clothing stores) and department stores by total store sales volume groups. The following are median results based on actual dollar data submitted to the NRMA by cooperating companies.

Cosmetics, fragrances and toiletries sales in all department stores registered a median gain of 17.2% in 1988 over 1987, with an increase of 24.6% for department stores with sales over $300 million. Median sales per square foot in the cosmetics, fragrances and toiletries departments were, $230.5, versus $162 per square foot for women's apparel.

Typical Merchandising & Operating Results of Cosmetics, Fragrances & Toiletries Departments, 1988

(Median results)

	Department Stores	
	Total	With Sales Over $300 Million
Number of reporting firms	44	16
Net sales, % change from last year	17.2%	24.6%
Sales, % of total store sales	7.3	7.4
Cumulative markon, %	40.3	40.1
Gross margin, % of sales (incl. cash discounts)	38.9	39.2
Markdowns, % of sales (incl. employee discounts)	1.8	1.3
Salespeople's salaries, % of sales	9.4	nr
$ Sales per sq. ft. of selling space (main or largest selling unit)	$230.5	nr
Number of stock turns (times)	2.3	2.5

nr not reported

Source: National Retail Merchants Association, Merchandising & Operating Results, 1988 (1989 edition)

RETAIL SALES BY OUTLET TYPE

Discount Stores

Once viewed as just a traffic lure, the health and beauty aids department is gaining new respect, especially in discount stores. In 1988, sales of toiletries by discounters reached $3.5 billion, with hair needs accounting for the largest share of this total at 44.8%. 17.9% of sales were for make-up, and 6.1% went for perfumes/colognes.

Discount Stores Sales of Toiletries, 1988
(In millions of dollars)

	Sales	% of Total
Toiletries, total	$3,485.8	100.0%
Hair needs	1,563.3	44.8
Make-up/skin care	625.0	17.9
Deodorants	379.4	10.9
Shave needs	369.6	10.6
Dental needs	334.5	9.6
Perfumes/colognes	214.0	6.1

Source: Discount Merchandiser (July 1989)

Maybelline, Cover Girl, Revlon and Max Factor were the top 4 cosmetics brands at discount stores for the sixth straight year, according to the Discount Store News Top Brands Survey. These four brands are increasing their influence and dominance in the category, at the expense of other highly-recommended cosmetic labels.

Maybelline took the number one spot as the top performing brand, increasing its position among conventional and upscale discounters in 3 out of the 4 discount chains surveyed. The brand's biggest growth occurred in the Northeast, increasing 15% from the previous year, 25% ahead of second place Cover Girl. Cover Girl, number two overall, enhanced its standing everywhere but at upscale discounters. Clarion, Maxell and Coty were new to the top 10 brands list.

Discount Stores (continued)

Cosmetic Brands Sold By Outlet Type: 1989

	All Discounters		Conventional Discounters		Upscale Discounters	
Brand	1989	1988	1989	1988	1989	1988
Maybelline	74%	70%	76%	73%	61%	57%
Cover Girl	51	44	54	44	36	46
Revlon	35	31	28	22	70	76
Max Factor	11	12	10	9	18	23
L'Oreal	7	7	7	10	6	14
Clarion	3	--	3	--	1	--
Clairol	2	4	2	4	2	4
Noxell	2	9	2	10	--	2
Maxell	2	--	2	--	--	--
Coty	1	--	2	--	--	--

Top Cosmetics Brands' Performance In Discount Stores by Region

Brand	Northeast	South	North Central	West
Maybelline	72%	75%	72%	72%
Cover Girl	47	50	60	40
Revlon	41	27	38	44
Max Factor	17	8	11	13
L'Oreal	3	7	8	8
Clarion	5	2	3	2
Clairol	2	1	2	7
Noxell	3	--	4	2
Maxell	--	1	1	4
Coty	--	2	1	--

Brand Share At Specified Discount Chains: 1989

Brand	K mart	Wal-Mart	Ames/Zayre	Target
Maybelline	87%	74%	86%	64%
Cover Girl	67	40	75	44
Revlon	23	37	27	67
Max Factor	10	16	2	14
L'Oreal	5	26	--	3

Source: Leo J. Shapiro & Associates
Discount Store News (10/16/89)

RETAIL SALES BY TYPE OF OUTLET

Grocery Stores, Drug Stores & Mass Merchants

The 1987 Census of Retail Trade reports 1987 cosmetic sales in drug stores at $2,653.5 million, 21.7% higher than 1982 sales of $2,180.6 million. The number of drug store outlets selling cosmetics (not including proprietary stores), also rose 1% in 1987, to 34,253, up from 33,193 in 1982.

According to figures compiled by A.C. Nielsen, the share of most toiletries and cosmetics sold in drug stores has declined during the first half of 1989 versus the same period in 1988. Food stores and mass merchandisers, however, have increased their share of sales in these categories, as Health and Beauty Aids (HBA) rose 5% in food stores and 18% in mass merchandisers during the same time period. Dollar sales of the total HBA category in drug stores grew 4% in comparison.

Both drug stores and food stores still generally record far higher sales shares in cosmetics, toiletries, and beauty aids than mass merchandisers. In 1989, drug stores recorded 60.3% of color cosmetics, 59.7% of after-shave lotions and colognes, and 58.2% of ethnic hair preparations. Grocery stores held the highest share in mouth wash, shampoo and deodorant sales. Home wave kits were the best seller in mass merchandisers, followed by baby oil, hair color and hair fixatives.

In February 1989, 40% of chain drug stores had a cosmetician on duty, just 30% did so in February 1988. Stores in the West Coast and Central regions were more likely to offer such a service to customers than stores in the Northeast and Middle Atlantic regions.

Selected Beauty Aids Sales in Grocery Stores, Drug Stores & Mass Merchandisers
Percent Accounted for by Each Store Type, (First 6 Months 1989 vs. 1988

	Grocery Stores	Drug Stores	Mass Merchandisers
Shampoos	49.9	27.5	22.6
Hair fixatives	44.5	29.8	26.1
Men's hair preparations	41.3	38.5	20.2
After-shampoo products	43.4	34.8	21.8
Mousse	43.0	31.4	26.5
Hand/body lotions	37.0	41.7	21.3
Ethnic hair preparations	24.7	58.2	17.1
Face creams, lotions	24.2	56.2	19.9
Home wave kits	20.3	48.1	31.6
Hair color	19.8	53.1	27.1
After-shave lotions, colognes	16.9	59.7	23.4
Color cosmetics	19.5	60.3	20.2

Source: Nielson Review, 1989

RETAIL SALES BY TYPE OF OUTLET

Grocery Stores, Drug Stores & Mass Merchants (continued)

Many drug chains have brought in more prestigious department store lines of cosmetics in an effort to attract the beauty-oriented woman to their stores. They have also expanded space to mass market brands. The top performers in 1988, by market share were reported in Business Week.

Cosmetics Market Share in Drugstores: 1988

Revlon	36.7%
Noxell	12.9
Maybelline	12.1
L'Oreal	9.6

Source: Revlon, Inc.,
B.W. Mottus & Associates:
Business Week (11/20/89)

Cosmetics was one of the top sales-gaining HBA categories in grocery outlets in 1989 versus 1988, advancing 10%, according to Towne-Oller & Associates. Lipstick sales were up 15% and accounted for 14.6% of cosmetics' total sales, while face cosmetics grew 14% to 24.4% of the total category. Nail care gained 11% with such fast growing sub-segments as cuticle removers and treatments, up 26%, and nail polishes, up 16%.

In hair care, styling products sales grew 8.7% from 1988, with a 10.2% share of the segment. Fixes/spritzes/sprays took the growth lead, up 66% to 37.5% share of hair styling products, compared with a 28% share in 1988. Gels advanced 19%, spray gels up 648% and gel tubes rose 21%. According to Discount Merchandiser, sales of cosmetics reached $752.7 million in combination supermarkets (those with 30,000 sq. ft. or more with 25% of space devoted to nonfood merchandise).

Grocery store sales in 1989 versus 1988 were given for other product break-outs as follows.

Sales of HBA in Grocery Outlets

	% Change 1989/88
Thickening shampoos	168%
Hair styling fix/spritz/spray	66
Men's hair coloring	46
Deep hair conditioners	24
Moisture shampoos	20
Hair styling gels	19
Liquid bath oils	19
Sunscreens	19
Nail polishes	16

Source: Towne-Oller & Associates
Progressive Grocer (5/90)

RETAIL SALES BY OUTLET TYPE

Beauty Salons

In 1989, salon products sold to consumers through salons, representing close to $1 billion in business, by various industry estimates grew between 12% to 25%, according to Advertising Age. A salon line that affiliates itself with an established name gives it credibility in the eyes of the consumer, thus contributing to its success.

Hair care products sold through salons are a wide open category, as there are only 5 dominant players, all non-public, and all owned by entrepreneurs, as listed below.

Top Five Professional Hair Care Brands in 1989
(Sold in salons to consumers)

	(Mil. of $)
Nexus	$200
Redken	140
Paul Mitchell	100
Matrix	75
Sebastian	60

Source: Industry estimates,
Advertising Age (4/16/90)

Licensing

Licensing is an opportunity to add an extra dimension to a product or service and, in the process, it contributes more than $60 billion annually to the retail sales volume of goods and services in the United States, according to Advertising Age. The percentage of licensed health and beauty aids sold at retail is given for 1984-1989 as follows.

Licensed Merchandise At Retail

	1989	1988	1987	1986	1985	1984
Health & Beauty Aids	5.0%	5.0%	5.0%	5.0%	4.5%	3.0%

Source: The Licensing Letter,
Advertising Age (5/28/90)

RETAIL ADVERTISING

Percent of Year's Total Newspaper Retail Advertising Linage
On Cosmetics Each Month

Total Cosmetics	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
100.0%	3.3	7.9	9.2	9.0	10.3	3.4	4.9	7.8	10.7	10.6	4.9	18.0

Source: Advertising Checking Bureau, Inc. 1988

CONSUMER PRICES

The overall level of consumer prices for toilet goods and personal care appliances, as measured in the Consumer Price Index, gained 4.3% in 1989 over 1988, slightly higher than the 3.7% rise in the price index for these goods from 1987 to 1988.

Cosmetics, bath and nail preparations, etc., registered a 3.8% gain in price levels at retail in 1989, while other hair, dental products, etc. rose 4.7% in price.

Consumer Price Index For Toiletries & Cosmetics, 1988, 1989
(1982-1984 = 100)

	Annual Averages		% Change
	1989	1988	1989/88
All items	124.0	118.3	4.8%
Personal care	125.0	119.4	4.7
Toilet goods & personal care appliances	123.2	118.1	4.3
Cosmetics, bath & nail preparations, manicure & eye makeup implements	123.0	118.5	3.8
Other, including hair & dental products & small personal care appliances	123.5	118.0	4.7

Source: U.S. Bureau of Labor Statistics:
CPI Detailed Report, January 1990

PRODUCT MARKETING

Fragrances

Although sales of fragrances have been flat, manufacturers and retailers are looking forward to gains, spurred by the introduction of new scents beginning in Fall 1990. The excitement generated by new fragrance launches, averag- ing about 30 to 40 a year, up from 20 to 25 annually in the early 1980s, has helped entice shoppers to spend more of their disposable income on perfumes and colognes as they become more accustomed to newness, with line extensions from classics or near classics. This glut of new perfumes however, has sent manufacturers scurrying for new ways to distinguish their brands from the masses. Signing up celebrities as promoters, a favorite tool that every major manufacturer has used, has helped increase the cost of introducing a fragrance to an average of $50 million, up from about $1 million 12 years ago, according to Women's Wear Daily.

PRODUCT MARKETING

Fragrances (continued)

Together the higher stakes of selling scents and the slowdown in sales have strengthened the positions of the biggest manufacturers, as in 1988 the top 5 fragrance makers controlled 62% of a $2.6 billion American retail market, up from 46% in 1981. Some of the major manufacturers with their retail market share is given below.

Retail Market Shares in the Fragrance Industry: 1981, 1988

	1981		1988
Avon	15.2%	Avon	19.5%
Revlon	12.8	Estee Lauder	12.5
Estee Lauder	12.3	Unilever	12.4
Chanel	5.0	Revlon	11.6
Other	54.1	Chanel	6.0
		Cosmair	5.6
		Other	32.4
Total Retail Market: $2.3 billion		Total Retail Market: $2.6 billion	

Source: William Fitzgerald & Associates
New York Times (September 24, 1989)

Tremendous consolidation among fragrance makers has dramatically reordered the industry, as Unilever is now the third largest fragrance producer after having just entered the market in 1987.

The prestige category accounts for a third of worldwide sales and more than half of perfume sales, with the entire worldwide prestige market valued at $8 billion annually and growing 10% a year, according to Business Week. Industry consultants see several prestige manufacturers going after the huge mass market, although with entirely different scents.

Home Fragrances

Consumers spent about $260 million on potpourri products in 1989, 10% more than in 1988, according to the Fragrance Foundation. Its popularity may be here to stay, as Americans spend more time in the home, and sales go across all economic levels to include men as purchasers. The demand of the English country look in home furnishings, a growing interest in aroma therapy in which scents are used as mood enhancers, and the mass marketing of home fragrances by cosmetics companies such as Estee Lauder and Elizabeth Arden are factors contributing to the growth of the category. Many industry executives report that potpourri has reached its peak in the market, however, and the trend is toward low end, cheaper products, according to HFD.

Home Fragrances (continued)

Department stores do a sizable home fragrance business, as consumers are likely to find home fragrance items that coordinate with home textiles, potpourris, sachets, scented drawer liners, sprays and personal care toiletries, sold in cosmetics, gift, lingerie, domestics and bath boutiques, among others, according to HFD. Specialty stores, national chains, mass merchants and catalog operations have begun to make a dent in the department store fragrance market, however. Specialty stores, such as Limited, Victoria's Secret, Benneton, and Laura Ashley, have developed their own fragrances in the hope of creating loyal customers in both scents and apparel, according to Women's Wear Daily.

Manufacturers report that the industry is experiencing a shakeout of smaller companies and rapid consolidation of remaining players, due to the attractiveness of an industry growing from a fringe business to a full-fledged category.

The market share by retail segment as reported by Home Fashions magazine is shown below.

Market Share of Home Fragrances by Retail Segment

	1989	1988
Mass merchants	9%	9%
Department stores	37	39
Specialty stores	43	43
Sears, Penney, Ward, Spiegel	11	9

Total 1989 sales: $245 million, 7% gain from 1988 total of $230 million.

Includes sachets, potpourries, drawer liners, scented candles and room fragrances.

Source: Home Fashions Magazine
February 1990

Skin Care

The European concept of designing products for specific body areas has become the latest U.S. trend in skin care, according to Women's Wear Daily. Some skin care manufacturers have begun moving away from a general approach to face and body care, and are focusing instead on specific concerns women have, and pinpointing specific problems. Body treatment products such as firming creams and anti-cellulite products have been developed to lift and tighten slackened skin about the bust, thighs, face and neck areas. Demand for such products may grow, as the surge in motherhood and the population growth of women aged 40 and over continues. New technology will be a major factor in the success of these skin care products, according to analysts.

Skin Care (continued)

Facial skin care is still the focus product for most cosmetic manufacturers, however, as this category represents about a $1.5 billion market, according to Advertising Age. Since consumers have become aware of the danger of sun exposure to their skin, sunscreens and built-in protectors have been added to moisturizers, thus enabling companies to make anti-wrinkle claims. Fears of FDA investigations, however, have forced manufacturers to be very careful about such claims.

As prestige skin care brands continue to sell well in department stores, analysts find the real opportunity to be in the mass market. A proliferation of new brands in such outlets, with increased advertising exposure, could help build consumer interest in mass market brands, and account for a 15% increase in sales of skin care in these outlets, according to Advertising Age. The top selling facial care brands sold in department stores in 1988 were Clinique, Estee Lauder and Lancome. Oil of Olay, Vaseline Intensive Care Lotion, Pond's and Noxzema were the biggest sellers in broad distribution. Introduced in 1989, L'Oreal's new Plenitude skin care line, premium-priced, but marketed only in mass market outlets, will be competition for the other leading brands.

Salomon Brothers gives a pattern of sales of specified skin care items for 1987, 1988 and 1989 estimates, as follows.

Skin Care Sales
(Millions of dollars)

	1989(e)	1988	1987	Compound Annual Growth 1983-88	% Change 1989/88
Facial Products:	$1,755	$1,635	$1,514	7.3%	7.0%
Face creams	785	715	653	8.2	10.0
Cleansers	793	755	710	5.9	5.0
Astringents	67	60	50	22.2	12.0
Masks & lightener	110	105	101	6.4	5.0
Hand & body lotion	885	790	680	12.2	12.0
Specialty products	1,586	1,422	1,283	7.6	12.0
Acne products	240	220	201	6.6	9.0
Suntan products	500	415	345	11.7	20.0
Lip protector	63	60	57	5.5	5.0
Direct & private label	626	580	544	5.6	8.0
Other	156	147	136	7.8	6.1
Total skin care	4,226	3,847	3,477	7.9	10.0

Source: Salomon Brothers

PRODUCT MARKETING

Sun Care

Consumer response to the skin damage caused by the sun has brought the sun care products category to an estimated $500 million in sales in 1989, according to Salomon Brothers. In turn, manufacturers have developed a staggering array of products, including waterproof sun protection sticks, sprays and creams that block out both UVA and UVB sunrays. They have also added higher sun protection factors (SPF's) to their lines, while removing some lower SPF products.

Sales of self-tanners have grown substantially, as consumers realized that a tan can be obtained without facing the sun's harmful rays. As a result, nearly every cosmetics company has a self-tanner on the market, which has become one of the best selling items for many, according to Women's Wear Daily. Treatment benefits added to sun care items, such as self-tanners with moisturizers, have also become popular. In addition, SPF's have also been added to treatment products.

The once seasonal sun care business is turning into a year-round opportunity, as consumers embrace products recommended for everyday use to protect against ultraviolet rays. Both prestige and mass market brands are benefitting from the rise in consumer demand, although only about 10% of dollar sales come from prestige products sold in department stores, with the rest generated by mass market products, according to an industry source.

Hair Care

The next frontier on the beauty horizon may be hair care, according to Women's Wear Daily, as this $4 billion market has enticed new entries from various entrepreneurs and salon owners. Hair companies looking for ways to differentiate their brands from others on the market, have developed new ingredients and applications, and have targeted specific problems, such as thinning hair. The results are a new generation of hair masks, preshampoo conditioners and hair regulating jellies. Hair styling products are growing most rapidly, according to industry sources.

A pattern in sales for hair care products was reported by Product Marketing and Salomon Brothers, with 1989 estimates also given. Hairsprays and hair styling products together are growing at a double digit pace, comprising a $1.1 billion market. The highest growth estimate was for styling gels, with conditioners and home permanents following. The only decline occurred in the sale of mousse.

Hair Care

Hair Care Sales
(Millions of dollars)

	1989(e)	1988	1987	Compound Annual Growth 1983-88	% Change 1989/88
Shampoo	$1,400	$1,355	$1,300	3.1%	3.0%
Conditioners	660	610	560	3.0	8.0
Hairsprays	800	750	675	11.0	7.0
Hair coloring	860	815	760	6.7	6.0
Home permanent	165	153	145	3.9	8.0
Ethnic hair care	245	235	235	16.0	4.0
Styling gels	198	165	120	42.6	18.0
Mousse	147	155	170	nm	-5.0
Total	4,475	4,238	3,965	7.0	6.0

(e) estimate
nm not meaningful

Source: Salomon Brothers

Proctor & Gamble's Pert Plus has taken the number one position in the $1.4 billion shampoo category in 1989, rising 84.6% over its 1988 market share of 6.5%, and surpassing Proctor & Gamble's longtime leader Head & Shoulders. Such growth can be attributed to the shampoo's technology, which combines shampoo and conditioner in one, and the introduction of a dandruff-control version. According to industry sources, Pert Plus is still gaining strength in the U.S. and in international markets, and is one of the biggest success stories ever in the category.

Leading Brands in Hair Care By Market Share: 1989

Rank	Brand Name	Company	1989 Market Share	1989/88
1	Pert Plus	Proctor & Gamble	12.0%	84.6%
2	Head & Shoulders	Proctor & Gamble	9.5%	-9.5
3	Suave	Helene Curtis	8.5	13.3
4	Finesse	Helene Curtis	5.0	0
5	Prell	Proctor & Gamble	4.5	0
6	Salon Selectives	Helene Curtis	4.5	28.6

Source: Kidder Peabody & Co.:
Advertising Age (3/19/90)

Hair Care (continued)

Although the use of hair coloring is dominated by older consumers wanting to camouflage their gray, recent gains have come from the 15-34 age group, according to Packaged Facts. Overall, Clairol holds 60% of this market, with Cosmair's L'Oreal in second place, with about 25%, as the company's Preference brand ranks first in dollar sales. Revlon holds about 5% of this market, followed by Combe, with 4%.

Sales of salon-related brands in mass-market stores grew 8% in 1989, and the $650 million retail segment is encouraging the development of new products. Salon products sold to consumers in salons grew between 12% to 25%, according to Advertising Age, representing close to $1 billion in business. Many companies found salon distribution of their products difficult however, due to the high level of diversion of salon products. 1989 sales of hair care products in food and drug store outlets totaled $2.7 billion. Department stores have the smallest share of this market, at only 5%.

Color Cosmetics

1989 sales of cosmetics was estimated at $6.1 million, 7% higher than in 1988, according to Salomon Brothers. From 1983 to 1988 the category achieved a 7.2% compound annual growth rate. Nielsen Marketing Research found eye color cosmetics sales in drug chains up nearly 10% to $238 million, while facial color product sales rose 7.8% to $351 million, as reported the second half of 1989. The growth in mascara and face makeup was primarily due to the number of new products that entered the categories.

Although cosmetic sales have been rising, the pace of growth has slowed down in recent years, as costs of raw materials and of advertising and promotion have increased.

Custom blending of color cosmetics at department store counters has been growing rapidly, reaching $25 million at retail, and is expected to reach $47 million by the end of 1990, according to industry sources. This practice of blending colors of foundations, eyeshadows, lipsticks or blushes to the customers' skin types and tastes, brings personalization and special service to the customer, which usually results in repeat business. The four major custom blenders include Luminique, Estee Lauder's Prescriptives, and Revlon's Charles of the Ritz and Visage Beaute.

Treatment claims, such as hypoallergenic and noncomedogenic have also had a solid impact on the color cosmetic business, even at the mass level. As consumers' knowledge about treatment increases, sales of foundations will rise, and all areas of the color business may be affected, according to an industry source.

Color Cosmetics (continued)

American women are buying a smaller percentage of their cosmetics at department stores, which accounted for 15% of sales in 1989, down from 18% in 1985. This decline, caused somewhat by demographic changes, particularly more working women, can affect such high-end brands as Lancome, Charles of the Ritz, and Germaine Monteil. Mass market brands such as Cover Girl and Maybelline may benefit from this change however, as more cosmetics are purchased in supermarkets and drugstores. 28% of sales were made in supermarkets in 1988, while 27% were made in drugstores, according to Forbes. Beauty supply outlets and specialty store chains have also experienced increased cosmetics sales.

Nail Care

Revlon is the number one brand in the $1 billion nail category, followed by Cutex, according to Advertising Age. Competition in the category has intensified as more companies have developed full nail care lines. Consumers are willing to spend more money on nail care, thus boosting the professional manicure segment, and placing nail care into the number two business in grooming, behind hair care, according to an industry source. Market share in nail care products for the leading companies are as follows.

Company	Market Share
Revlon	16.0%
Noxell Corp's Cover Girl	12.5
Cosmair's L'Oreal	11.0
Del Labs' Sally Hansen	10.5
Maybelline Company	7.0
Cutex	5.5

Source: Advertising Age (5/15/89)

Men's Products

The fact that about 70% of all cosmetics and toiletries purchases in department stores are spontaneous presents a problem for manufacturers of men's products, as most department store customers are women. Industry sources note that about 2 out of 3 purchases of men's fragrances are also made by women. Sales of men's fragrances are estimated to grow more than 5% a year, while women's business remains flat, according to Women's Wear Daily. Recent growth has come from higher price points rather than an increase in units, particularly in prestige fragrances, according to industry sources. The younger men's market again is important to marketers, as this generation is purchasing more than one scent, and building a "wardrobe of fragrances."

The market became inundated with new products in 1989, as 5 new men's fragrances were launched in the Fall alone. Those with high sales included Claiborne, Farenheit and Eternity for Men. Some of the new entries took sales volume away from existing brands, as competition increased in a troubled retail environment.

Men's Products (continued)

The mass market is gaining favor with fragrance shoppers, as more prestige items are offered by discounters. New launches have helped bring attention to the men's category, which in turn spurred sales of classic scents such as Chaps and Old Spice.

Though small, the $70 million men's hair coloring segment is growing at an estimated 30% to 40% a year. Just for Men, introduced in 1987, is second in the segment with a 10% market share, while Grecian Formula accounts for virtually the rest of the category. Newer products include Clairol's Option hair coloring for men, and Grecian Plus, which contains a hair thickening agent to capitalize on the $100 million hair thickener segment.

Total 1989 sales of men's toiletries and fragrances are estimated at $1.6 billion, according to Salomon Brothers. With the $775 million razor blade market included, the $2.4 billion total represents about 10% of the U.S. personal care business. Anti-aging products such as skin care, hair coloring and hair revitalizers experienced the most rapid growth.

Sales of Men's Toiletries and Fragrances
(Millions of dollars)

	1989(e)	1988	1987	Compound Annual Growth 1983-88	% Change 1989/88
Reported total:	$1,347	$1,221	$1,122	--	10.0%
Fragrances	980	900	830	7.6	9.0
Talcum	7	7	7	0	--
Hair styling prods	130	129	130	-1.2	1.0
Hair revitalizers	75	60	45	nm	25.0
Hair coloring	80	60	55	16.5	33.0
Skin care	75	65	55	25.4	15.0

(e) estimate nm not meaningful

Source: Salomon Brothers

Department store sales of upscale men's grooming products, not including colognes, grew in 1988 to between $70 million and $80 million from about $40 million in 1983, according to Allan G. Mottus, an industry consultant. The 1989 total is estimated to grow 15% to 20% higher--though still only a fraction of total women's skin care sales. With only 19% of men using skin care, the market potential for such products is huge. The fact that these products are perceived as unmasculine by many men is an obstacle marketers have to face, however. Industry sources find that while men aged 35 and older still do not see the need for skin care items, younger men are more accepting of such products. As a result, the president of Aramis predicts sales of men's treatment products to explode in the 1990s, according to Women's Wear Daily. Aramis began to focus on specific areas such as skin problems caused by shaving, and have installed shaving "clinics" in department stores in an effort to increase product usage. Other manufacturers are rolling out new lines in the skin care category, and are spending more on advertising and promotion.

MARKET SEGMENTS

The aging of the U.S. population, particularly of the dominant baby-boom group, is a major factor in market and product developments in the cosmetics, toiletries and fragrance industries.

The Census Bureau's population projections clearly show the trend in the growth of the middle-age group; and the industry is starting to launch new products to meet the needs and wants of older customers.

Population Projections: 1990, 2000, 2010

(Middle Series*)
(Number in thousands; Includes Armed Forces Overseas)

	Number (Thousands)			% Change	% of Total		
	1990(p)	2000	2010	2010/1990	1990	2000	2010
MALE							
Total all ages	122,243	131,191	138,333	13.2%	100.0%	100.0%	100.0%
Under 16 years	29,410	29,798	28,310	- 3.7	24.1	22.7	20.5
16 years & over	92,834	101,392	110,024	18.5	75.9	77.3	79.5
16 - 19	7,182	7,771	7,753	7.9	5.9	5.9	5.6
20 - 34	31,505	27,551	28,709	- 8.9	25.8	21.0	20.7
35 - 54	31,191	40,241	40,018	28.3	25.5	30.7	28.9
55 - 64	10,103	11,557	17,173	70.0	8.3	8.8	12.4
65 & over	12,853	14,273	16,372	27.4	10.5	10.9	11.8
Median age (years)	31.9	35.2	37.5	17.5	--	--	--
FEMALE							
Total all ages	128,167	137,076	144,241	12.5%	100.0%	100.0%	100.0%
Under 16 years	28,012	28,333	26,875	- 4.0	21.8	20.6	18.6
16 years & over	100,155	108,742	117,366	17.2	78.1	79.3	81.4
16 - 19	6,886	7,440	7,410	7.6	5.4	5.4	5.1
20 - 34	31,110	27,198	28,316	- 9.0	24.3	19.8	19.6
35 - 54	32,193	40,893	40,391	25.5	25.1	29.8	28.0
55 - 64	11,260	12,601	18,257	62.1	8.8	9.2	12.7
65 & over	18,706	20,608	22,991	22.9	14.6	15.0	15.9
Median age (years)	34.1	37.6	40.3	18.2	--	--	--

(p) preliminary

Note: Columns may not add to totals shown due to rounding.

Source: U.S. Bureau of the Census: Current Population Reports
Series P-25, No. 1018 (Issued January 1989)

MARKET SEGMENTS

The Mature Woman

Beauty companies, while long dedicated to preventive measures designed to keep skin looking younger longer, are now devising products for older women showing signs of aging, according to Women's Wear Daily. Such companies include Chanel and Shiseido, which are both offering more intensive treatment products such as wrinkle minimizers and concentrated moisturizers. Flori Roberts is developing a group of treatment products such as wrinkle minimizers and a new color line targeted to women 50-plus, while Elizabeth Arden launched its UV Defense Lotion, which deals with the concept of photo-aging and exposure to ultra-violet light. Clinique has been offering moisturizers and creams containing ingredients that help minimize the visible signs of aging on skin.

Treatment is not the only part of the beauty business that will be affected by changing demographics. The fragrance industry is also looking for ways to respond to the diminishing sense of smell of people as they age, by developing scents that such consumers can appreciate, and that target a mature lifestyle.

Most companies position their products as anti-aging, and find that older women do not want to be typecast. When the large baby boomer population starts turning 50, however, they will become more accepting and comfortable with aging, according to an industry executive.

The Children's Market

Children's cosmetics and toiletry products have become important growth categories, as baby boomers with greater disposable income have more to spend on their children. Sales volume estimates range from a modest $50 million, to an extraordinary $1.2 billion, due to the broad spectrum of merchandise included in the category, according to Discount Store News. The new breed of products goes beyond basic shampoos, lotions and powders, to include nail polish or tint, lipstick or lip gloss, and blush.

The European practice of using fragrances on babies is also starting to gain acceptance in the U.S., as at least 12 new brands of scents and toiletries are currently on the market, with some retailing for as much as $50, according to Children's Business.

Some of the major manufacturers of children's personal care items include Mattel, with its license of the Barbie line of cosmetics, Cosrich, which also markets cosmetics under a number of license names, and Fisher Price, with its "Just My Style" line. William & Clarissa launched KIDS, a 16-product personal care line, marketed in drug and grocery stores and mass merchandise outlets, while Smith & Vandiver introduced Good Clean Fun, a kids' ages 3-10 collection of bubble bath, shampoo and lotion in a variety of scents, geared to specialty and department stores and gift shops. Royal Renaissance has offered a line of skin care items for children. Some of the companies specializing in baby fragrances, include Gregory International, The Clear Choice Corporation, and Parfums Givenchy.

Many cosmetics and fragrance products can be found in the toy, cosmetics and health and beauty aids departments, although some manufacturers envision the items being taken out of the toy area entirely, with a whole retail section being devoted to baby's sophisticated needs. Royal Renaissance president believes that within 5 years, baby products will be sold in their own counter section, with trained personnel to offer advice, according to Discount Store News.

Children's Market (continued)

By the age of 12, children become more independent shoppers, desiring the same fashion trend merchandise that juniors do. Brand names such as Bonnie Bell, Maybelline, and the Natural Wonder Line by Revlon are all popular with this slightly older market.

Ethnic Market

Ethnic groups (including blacks, Hispanics and Asians), currently account for 20% to 25% of the total U.S. population, and are expected to represent 30% of the total by the year 2000, according to Kline & Co., a consulting company. Frost & Sullivan predicts that the U.S. black population will grow at twice the rate of the population as a whole, and the U.S. Hispanic population will grow three times the overall rate, as Kline & Co. predicts that by 2089, whites will make up less than 50% of the total population.

These changing demographics have a significant impact on the cosmetics industry, where color is key, and products traditionally have been based on light skin tones. As a result, some companies are rushing to adapt to this group. Since capturing this market has been a priority to Avon Products, Inc., the company expanded its makeup line to include products for a wider variety of skins. It has also advertised in Hispanic magazines, published supplements to their catalogs specifically geared to blacks and Hispanics, and has hired black and Hispanic beauty representatives. Estee Lauder is also expanding its line by adding 40 items to its Signature Cosmetics line to provide colors for darker skin, expecting makeup volume to increase by double-digit percentages as a result. Cosmair's Biotherm line also includes new products and specific advertising for the ethnic market, however, it was not necessary to make any changes in Cosmair's Lancome line, as the company already attracts a diverse clientele. Fragrances are also important to the ethnic market, as this group spent a total of $525 million at retail in the U.S. in 1987, the last year for which figures are available, according to Women's Wear Daily (July 21, 1989). Many fragrance companies have been successful with this market without developing specific marketing strategies.

According to the American Health & Beauty Aids Institute, ethnic products are currently outperforming all other health and beauty aids categories, especially since the category yields margins of 30% to 40% and turns of 5.0%. Currently sales are flat in ethnic hair care, the largest segment in the ethnic cosmetics and toiletries market; a big change from the staggering growth of the early 1980s when pricey curl kits and maintenance items paced volume. Most industry experts believe that sales started to flatten as the curl look was supplanted by a variety of other styles, such as a dryer look, a more relaxed leisure curl, and more geometric curls. Such new styles do not require the expensive tools needed to achieve the curl. Alcohol-free, non-flakey products that leave no greasy residue have grown in popularity, and styling aids and relaxers are currently the fastest-selling segments in the category, according to buyers, Frost & Sullivan forecast sales of ethnic hair care to reach $726 million in 1992, up from $584 million in 1988.

Ethnic Market (continued)

1988 Sales in the Ethnic Hair Care Market

Curl activators & restores	$130
Hair food, conditioners & pomades	128
Hair relaxers & blow-out creams	89
Curl & wave products	47

Source: Frost & Sullivan, Inc.
Discount Merchandiser (April 1989)

While supermarkets do not seem to give the ethnic category enough space, and drug stores are battling for financial strains by paring inventories, discounters are in a good position to gain favor with ethnic shoppers, according to Discount Store News. Discounters widened their share of the business from only 12% just five years ago, to 17.1% in 1989, and have experienced a 20% jump in sales of ethnic products.

Sales of Ethnic Health & Beauty Aids in Discount Stores

Category	% Change 1989/1988	Dominant Items in Category
Skin Care	35%	Ambi Skin Cream & Soap, Palmers Cocoa Butter & Skin Success Cream, Artra, Black & White Cream
Hair Color	34	Dark & Lovely permanent & temporary colors
Styling Gels	26	Pro Con Gel, Dark & Lovely Gel, Lekair Gel, Vigorol Gel
Hair accessories	35	Goody
Shave products	21	Magic Shave
Relaxers	16	Dark & Lovely Kits, Gentle Treatment Kits, Soft Beautiful Kits, Revlon Kits, Creme of Nature Kits, (Up and coming are Raveen kits)
Shampoo	14	Creme of Nature, Leisure Curl, Optimum Care, Care Free Curl
Curl Kits	10	Luster's S Curl, Proline Curly Kit, (Up and coming Lustra Curl Kit, Duke Wave & Curl Kit)
Conditioners & Hairdress	7	Ultra Sheen Conditioner, TCB Scalp Conditioner, B. Bros., Super Grow, Murray's Pomade, Dax Pomade, Sportin Waves Pomade, TCB Hair Food, Allways Natural Super Gro, Proline Perm Repair, Stylecrest Isoplus

Source: Beauty Enterprises Inc., Hartford, CT
Discount Store News, April 9, 1990.

CONSUMER PURCHASE PATTERNS

Leo J. Shapiro & Associates conducted a survey for Discount Store News among 453 women across the country on their shopping patterns for cosmetics and fragrances. The results showed that most (50%) of the respondents shopped in drug stores for cosmetics and fragrances during the past year, followed by department stores with 48%, specialty outlets with 44%, discount department stores with 24%, and grocery stores with 6%. Avon was the most cited source of all outlets; Mary Kay was also popular.

Forty two percent of discount store shoppers tended to be heavier cosmetic purchasers, compared with 26% of those who generally did not shop discounters. 20% singled out either K mart or Wal-Mart as the discount outlets where they made their most recent purchase. Artificial nails were the most recent purchase of 27% of discount shoppers, while 19% bought nail hardener.

Percent of Women Purchasing Specified Product in Discount Stores
(12 month period)

Artificial nails	27%
Nail hardener	19
Face powder	18
Nail polish remover	18
Eye make-up	16
Blusher	15
Nail polish	13
Base	13
Perfume or cologne	12
Lipstick	12

Fifty seven percent of respondents bought perfume or cologne during the past 12 months, more than any other product included in the survey. An average of $25 was spent on 3 fragrance purchases, nearly $9 more than that spent on facial creme, the second-ranked product in the survey.

Cosmetic and Fragrance Shopping
(12 month period)

Items	Average Expenditure	Average Number Bought
Perfume or cologne	$25.10	3
Facial creme	16.20	3
Facial masks	14.70	2
Eye make-up	14.60	4
Artificial nails	14.00	3
Base	13.80	3
Face powder	12.60	2
Lipstick	11.80	4
Blusher	10.20	2
Nail polish	9.60	5
Nail hardener	8.30	3
Nail polish remover	3.80	2

CONSUMER PURCHASE PATTERNS

60% of respondents were familiar with alternative designer fragrances (ADFs), although only about 25% have tried them. Most ADF's were purchased in drug stores, followed by discount department stores.

Alternate Designer Fragrance Purchases by Outlet Type

Outlet	Percent*
Drug store	40%
Discount department store	13
Department store	7
Mail order	4
Salon	2
Other	23

* Percent of women who ever purchases a perfume copy.

Source: Leo J. Shapiro & Associates
Discount Store News (Sept. 4, 1989)

A study entitled "Women and Self-Image" was conducted by Self magazine, based on a national random sample of 2,000 American women aged 18 to 49, and a representative sample of 2,000 Self magazine subscribers. According to the results, purchasers of cosmetics and fragrances were segmented into the following five distinct categories based on their attitudes and motivations toward appearance and self-image: 1) Self Enhancers are characterized by a positive self-image and strong desire to enhance their appearance. They are the heaviest purchasers of beauty products and spend the most time on grooming. 2) Polished Performers strive for perfection in their appearance. They enjoy experimenting with new styles and colors to achieve a perfect look. 3) Minimizers verbally dismiss the importance of appearance, but in reality purchase clothing and cosmetics in an effort to enhance it. 4) Relaxed Naturals, a highly confident segment of women who don't find it necessary to invest in their appearance. They may purchase cosmetics to preserve and protect rather than to change or mask the way they look. 5) Fault-Finders discount the importance of appearance by spending little time and money on it, claiming they rely on their inner resources more than their appearance.

The purchasing patterns of each of these groups for cosmetics and fragrances is outlined on the following page for a 6-month period.

CONSUMER PURCHASE PATTERNS

Percent Purchasing Specified Products in the Past Six Months

	Percent Respondents	Skin Care	Hair Care	Beauty/Color Cosmetics	Perfumes
Total, Women surveyed	100%	93%	89%	83%	68%
Self enhancers	30	96	94	90	72
Polished performers	20	92	92	91	70
Minimizers	18	93	89	83	66
Relaxed naturals	16	90	81	74	65
Fault-finders	16	92	84	75	64

Source: Langer Associates & Significance, Inc.:
Self Magazine "Women and Self-Image" (1990)

Teens

With about 70% of teens employed in some sort of job, and the rise in two-income families with fewer children, the disposable income of teens has increased. According to a Rand Youth Poll of 2,555 girls nationwide, girls 16 to 19 years old have about $70 a week to spend on whatever they want. This heightened buying power has benefitted cosmetics and fragrance companies, as teens spend more money to look like the models they see in fashion publications and films. As a result, some retailers and manufacturers are taking a closer look at this market, and some are creating new ads and lines specifically for teens.

Fragrances tend to be the most popular prestige product among teens, according to manufacturers. The research director at Seventeen found that readers of the magazine voted Liz Claiborne their favorite fragrance in 1989, followed by Obsession, and then Colors de Benetton.

In January 1990, Seventeen magazine conducted a survey of 2,000 members of its Consumer Panel on use of fragrances. Findings were balanced by age and geographic area to Census data to reflect all girls aged 13 to 21 in the U.S. Results showed that virtually all used a fragrance, with over four-fifths using perfume, and over half using a cologne/toilet water. Over half used a fragrance 5 or more days a week. On average, they start wearing a fragrance at age 13, and own about 7 different scents. About 60% purchased their last fragrance in a department store, and over 20% purchased it in a drugstore.

In comparing fragrance usage in 1988 vs. 1979, Seventeen magazine found that 86.2% used perfume in 1988 vs. 84.2% in 1979. Use of cologne/toilet water, however, fell from 87.4% in 1979 to 69.3% in 1988. Those that use perfume daily rose from 30.8% to 37.7%. More purchased perfume, cologne and toilet water in department stores and specialty stores, and less did so in drugstores in 1988.

CONSUMER PURCHASE PATTERNS

Teens (continued)

Seventeen's sun care survey, undertaken in 1989, revealed that two-thirds of the respondents considered a suntan very important. Four-fifths used some type of sun care product during the Spring/Summer tanning season, with 44% using a product or sunscreen with SPF 2-4, 40% using SPF 15 or higher, 42% using an after-sun moisturizer, and 37% using nose/eye/lip protectors. About 75% usually purchased sun care products in a drugstore, and 40% purchased them in a supermarket.

The 1989 skin care survey by Seventeen magazine, again based on responses from girls 13-21 in its Consumer Panel, found that over 75% viewed skin care as very important.

Usage of Specified Products Among Girls, Age 13-21

	Percent Using		Percent Using
Skin care products:		Cleansing products:	
Antiseptics/astringents	50.9%	Regular bath soap*	82.0%
Toners/tonics	10.1	Complexion soap	38.5
Facial moisturizer	36.9	Medicated/acne soap	21.5
Dry skin cream (for face)	14.4	Facial cleansing cream or lotion	46.9
Eye area moisturizer	10.4	Eye make-up remover	31.2
Acne cover up	48.5	Facial scrub	26.9
Body lotion or cream	70.4	Medicated cleansing pads	25.2
Petroleum jelly	31.1	Facial sponge	16.4
Baby oil	27.4	Cold cream	16.0
		Facial mask	40.5

* Includes moisturizing and deodorant soaps.

Source: Seventeen

The latest cosmetics survey undertaken by Seventeen in 1988, concluded that chapped lip balm, followed by lipstick, blusher and mascara are most often used among teens. Compared to a year ago, over half are using more lipstick, and 49.2% are using more nail strengthener/hardener. Virtually all wear eye make-up, with 4 in 5 wearing eye shadow and eye liner, and over 85% wearing mascara. Lipstick, lip gloss and face powder are applied more frequently than other cosmetics, with about half using them more than once a day. About half of the users of each product purchase them in drugstores, followed by department stores. Results of the survey follow.

CONSUMER PURCHASE PATTERNS

Teens (continued)

Usage of Cosmetics by Teen Girls, Age 13-21

	Percent Using Product		Percent Using Product
Mascara	86.1%	Lip Gloss	64.5
Blusher	86.9	Spot Cover-Up	57.8
Nail Polish	82.7	Eye Shadow	82.3
Chapped Lip Balm	89.7	Nail Strengthener/Hardener	48.4
Nail Polish Remover	78.0	Flavored Lip Gloss	49.5
Lipstick	87.1	Eye Liner	79.6
Face Powder	72.7	Eyebrow pencil	7.6
Foundation	69.0		

Teen Users of Cosmetics Frequency of Purchases

(Of Girls Using Each Product)

	More Than Once A Month	Once A Month	Every Two Months	Every Three Months	Every Four-Six Months	Every Seven-Twelve Months	Once A Year Or Less Often
Blusher	3.8%	9.4%	20.8%	19.4%	25.4%	13.8%	7.4%
Mascara	5.4	14.9	24.7	20.0	22.4	8.4	4.2
Eye Shadow	6.8	10.8	20.2	20.4	21.2	12.6	8.0
Eye Colorer/Liner	7.0	12.3	21.6	20.9	20.8	11.8	5.6
Eyebrow Coloring	1.5	11.3	5.3	19.2	23.8	15.6	23.4
Face Powder	4.5	15.7	23.5	19.1	21.2	8.7	7.3
Foundation	3.7	13.1	25.8	20.6	20.7	9.9	6.2
Lipstick	11.8	20.0	21.7	16.2	14.2	8.9	7.2
Lip Gloss	13.9	18.3	23.1	12.7	12.4	9.1	10.0
Spot Cover-Up	4.9	11.2	21.6	15.7	21.4	10.3	14.9
Nail Polish/Brush	11.4	11.9	17.8	16.4	17.7	12.8	11.7
Nail Polish (Pen)	14.7	--	8.3	8.2	14.9	24.7	29.2
Strength/Hardener	7.8	11.2	12.5	15.9	19.8	14.3	18.5

Source for above two tables: Seventeen: Cosmetic Survey, 1988

Teens (continued)

Place of Purchase By Teen Users of Cosmetics*
(Of Girls Using Each Product)

	Dept. Store	Drug-Store	Disc. Store	Super-Market	Other**
Blusher	32.9%	46.1%	22.0%	12.2%	16.0%
Mascara	25.8	55.1	24.7	14.9	15.4
Eye Shadow	33.3	52.6	23.6	15.3	21.2
Eye Colorer/Liner	27.7	53.8	23.1	14.8	17.2
Eyebrow Coloring	28.9	38.6	24.4	10.4	21.9
Face Powder	30.1	50.3	22.2	13.8	15.2
Foundation	34.3	46.3	20.1	13.4	18.7
Lipstick	34.8	51.6	23.4	12.6	26.5
Lip Gloss	26.0	54.9	22.7	13.5	25.7
Spot Cover-Up	23.9	52.8	23.2	14.0	16.1
Nail Polish/Brush	24.7	58.2	28.2	17.3	23.1
Nail Polish (Pen)	18.6	49.5	20.6	14.8	35.0
Strength/Hardener	17.6	53.4	24.3	14.5	24.5

* Percentages in each row add to more than 100% due to multiple mentions
**Includes beauty salons, mail order, door to door sales, catalogs and others.

Source: Seventeen: Cosmetic Survey, 1988

SCHEDULE OF ADDITIONAL FACT FILES

Statistical Analysis of Retailing (A Fact File Special Edition): A detailed statistical summary of retail trade in the U.S. based on the findings in the 1987 Census of Retail Trade issued by the U.S. Census Bureau in 1989. Includes information on the number of outlets by store type, sales, market shares by type of major merchandise classification, geographical changes, etc.

The Children's Market: Infants', Toddlers', Girls' and Boys' (Apparel, Juvenile Products, Toys/Dolls): Covers demographic trends affecting this market, including births, population projections by age, and characteristics of households with children. Includes detailed information on the U.S. children's wear industry, including production and shipments, foreign trade and price trends. Also covered are market trends for juvenile products (cribs, strollers, etc.) and for toys, games and dolls.

Consumer Market Developments: An overview of all facets of the consumer market. Within the framework of population and income groups, the markets for children's products, for young adults and for the mature are defined in terms of numbers and buying power. Trends and projections are included as well as an analysis of developments that are shaping the U.S. consumer market--living arrangements, households, working women, marriage and birth rates, etc. Trends in personal consumption expenditures are also covered.

Department Store Sales: Outlines ownership change/ reorganizations in the past year affecting major department and specialty stores. Buying headquarter locations of stores are listed with information on sales and number of outlets included in this total. Notes are included on plans to open and/or close stores. Sales and outlet information is separately listed for corporate headquarter and for national chains.

Dresses and Washable Service Apparel (Women's, Misses' & Juniors'): At the manufacturer level, provides a statistical profile of the dress industry and the products made within this industry, including dresses, washable service apparel, ensembles, etc. Includes number and size of manufacturers, production, and value of shipments, industry location and trends in employment levels. Analyzed is the governing impact of imports on total U.S. market supply. Retail sales by major type of retail outlet are covered, as well as growth in the size of the consumer market, based on population counts, working women by type of occupation, and more.

Fashion Accessories (Men's, and Women's): Covers developments in the U.S. industry, in imports and in retail sales for fashion accessories, including small leather goods, handbags, millinery, scarves, gloves, belts, jewelry, sunglasses, watches, etc., to the extent that statistical information is available. Included are production and shipments by U.S. manufacturers plus the quantity and value of imports in recent periods. Retail sales in department and specialty stores are reported, as well as summaries of available studies on consumer buying preferences.

Footwear (Men's, Women's, Boys', Girls'): A statistical summary of the U.S. footwear industry and U.S. market. Covers domestic production and shipments, and details trends in imports and their share of the domestic market, with information on major types of footwear. Includes information on sales trends and operating/merchandising results for shoe departments.

Home Textiles & Related Products: Includes the latest statistics on the U.S. industry, including manufacturers of a wide variety of products--bed linens, towels, blankets, comforters, slip covers, pillows, curtains/ draperies and hardware, shades and blinds. Covers the changing competitive nature of the industry through acquisitions of major producers and through consolidation of buying power at the retail level. Includes information on production, shipments and retail sales.

Hosiery/Legwear/Bodywear (Men's, Women's, Boys', Girls'): A comprehensive report on mills making hosiery and related products, including production and shipments, fiber consumption, producer price trends. The growing trend in imports is also covered. At the consumer level, the size of the potential market is measured in terms of population counts and projections and estimates are included on retail sales of major products by type of retail outlet.

Household Appliances, Electric Housewares: Covers a broad range of products included in these two classifications at the manufacturer and at the retail level. Provides a statistical profile of the U.S. industry in terms of number of manufacturers, production, shipments, exports. Imports are detailed, as well as information on export markets. Covers retail sales and merchandising results and information on appliance/radio/TV stores.

Household Furniture and Bedding: Provides an overall view of market trends in the U.S. For the U.S. industry, the report covers statistics on manufacturers, on production and shipments in terms of quantity and value by type of furniture. Trends in the concentration levels in the U.S. industry are reported, as well as in employment and earnings in the industry. Also included is information on the industry in leading states. Consumer market information includes data on characteristics of new housing units (number of rooms); also trends in consumer expenditures for furniture, sales by type of outlet. Details on furniture stores, including the 25 leaders, are also covered.

Men's Clothing and Furnishings: Provides a summary of major market trends in the men's furnishings/work/career apparel area and the tailored clothing areas, as well as in the rainwear area. Covers production and shipment information, employment trends, manufacturer concentration levels, location of the industries. Also examines import/export material. There's a look at the consumer market, plus in-depth details covering the retail level including sales and operating results for men's furnishings/work/career apparel/and tailored wear in both department and men's wear stores.

Men's Sportswear, Casual Wear, Outerwear: The wide variety of men's wear items included are covered from available statistical information on the industry at the manufacturer, retailer and consumer levels. Included is information on production and shipments by domestic producers, imports and exports. The retail market is covered in sales estimates and data on major outlet types, as well as studies of consumer buying practices.

The Sports/Fitness/Leisure Markets: Covers details on U.S. manufacturers in the sporting goods/athletic goods industry, concentrating on products sold through retail outlets such as sporting goods stores and general merchandise stores, as well as functional athletic footwear and apparel. Includes quantity and value of shipments of specified products, concentration of shipments among leading manufacturers, and trends in producer prices. Imports of specified sporting and athletic goods are covered. At the consumer level, data includes statistics and sports participation levels and purchases of specific sports equipment.

Sportswear, Casual Wear, Separates (Women's, Misses' and Juniors'): A statistical view of this segment of the women's wear industry is provided, including data on production and value of shipments, imports of major categories, sales by type of outlet, seasonal patterns, and consumer buying habits.

The Textile/Apparel Industries: Provides an overview of the U.S. textile and apparel industries, their current problems and programs to improve their competitive position in the U.S. market and abroad. Covers a statistical profile of each industry in terms of number of manufacturers, concentration levels, production and shipments, including exports. Trends in imports in terms of quantity and value are detailed, as well as quota developments. Also included is information on plant and equipment expenditures and on mill machinery in place in U.S. mills.

Toiletries, Cosmetics, Fragrances and Beauty Aids: A detailed view of the U.S. industry, leading manufacturers, sales of products for both men and women, trends in industry employment and earnings, advertising expenditures and foreign trade. Consumer expenditures by product are detailed as well as retail sales by outlet type, and consumer buying patterns and usage in regard to specified products.

Women's Inner Fashions: Nightwear, Daywear and Loungewear: An analysis of statistical information available on the industry and market, from manufacturer through to consumer. Includes the latest available data on U.S. production, shipments and exports; and details on imports. Retail sales and operating results in department and specialty stores are covered, as well as trends in producer and consumer prices. Developments in the size of the consumer market and trends in the market are summarized.

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Market Research Division
Fairchild Publications, New York

A Statistical Analysis of Retailing

FAIRCHILD FACT FILE

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Distributed through
Book Division
Fairchild Fashion Group
Division of Capital Cities Media, Inc.
New York

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Standard Book Number: 87005-726-X
Printed in the United States of America

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A STATISTICAL ANALYSIS OF RETAILING IN THE U.S. BASED ON THE 1987 CENSUS OF RETAIL TRADE

INTRODUCTION

Explanation of Coverage, Definitions

The Census of Retail Trade, first conducted in 1930, is one of seven components of the economic censuses compiled every five years by the Bureau of the Census, U.S. Department of Commerce, covering years ending in 2 and 7. (Other censuses cover manufacturing, transportation, wholesale trade, services, mineral and construction industries.)

The Census Bureau is issuing reports on 1987 retail trade in a series of reports. This FACT FILE focuses on profiles of retail firms and store types, as defined in the revised Standard Industrial Classification (SIC) Manual: 1987. It covers establishments primarily engaged in selling merchandise for personal or household consumption, with emphasis on retailers of general merchandise, apparel, footwear, homefurnishings, food and sporting goods. (A separate FACT FILE focusing on merchandise line sales by outlet type will follow.)

Some retailers are not included in the retail census, including the following: post exchanges (PX's), ship stores and similar establishments operated on military posts by agencies of the Federal Government. Direct sellers (SIC 5963) with no paid employees--such as non-employers selling house-to-house, by telephone, out of vans, in flea markets, on the street, and the like, are excluded, as are auxiliary establishments, such as warehouses, which are included in the Census Bureau's Enterprise Statistics report.

The Census Bureau publishes limited information on retailer establishments without payroll, some of which has been included in this FACT FILE to present data on total operations in the specified retailing classification. Most of the data, however, are for retailers with payroll. Users requiring information on nonemployers by regions should refer to the Census Bureau's detailed reports.

Detailed data reported in the 1987 Census of Retail Trade covers retail establishments: a single physical location at which business is conducted, which had paid employment anytime in 1987 (a change from coverage in 1982, which reported on those with employment at the end of the year). Data on retailers by sales size is based on those in operation at least 10 months in the year, also defined as the entire year.

Leased departments, as in 1982, are treated as separate establishments, classified according to the kind of business they conduct. For example, a leased department selling shoes within a department store is considered a separate "shoe store".

Explanation of Coverage, Definitions (continued)

In addition to establishment (store) information, some data is included on "firms": a business organization or entity consisting of one domestic establishment or more under common ownership or control. NOTE: Subsidiary firms or companies are not separately counted, and their stores are included as part of the owning or controlling firm. In other words, as of 1987, Campeau Corp. was counted as a department store firm, not as one of its subsidiary companies such as Allied Stores Corp., Federated Department Stores and others in operation at the time.

Firms are classified according to the type of retail stores they operate--and may be counted in more than one classification. Firm counts, therefore, contain duplication and are not additive. (The 1987 Enterprise Statistics report to be issued later by the Census Bureau will have net information on firms based on their principal business activity.)

A firm such as Sears Roebuck operates many different outlet types: department stores, appliance stores, home goods stores, etc., each of which is counted in its applicable business classification. A firm operating one store in three different retail SICs is counted as a multi-unit firm in each SIC.

Sales figures for covered retail establishments include: merchandise sold for cash or credit; other receipts, such as rental or leasing of equipment; charges for delivery, installation, maintenance. Sales at wholesale by businesses classified as retailers are included in the store sales. However, retail sales made by manufacturers, wholesalers, etc., which are not primarily in retail trade, are not included. These sales could amount to a considerable sum in some trades, such as apparel. Also excluded from retail sales totals are taxes paid by customers, as well as carrying or other credit charges.

Comparability of 1987 Census and 1982 Census of Retail Trade Reports

In the 1987 Census, stores are classified according to the 1987 revised Standard Industrial Classification (SIC); the 1982 and earlier censuses followed the 1972 SIC system. The changes in retail trade are relatively few, but particularly affect retailers within SIC Groups 53 (General Merchandise Stores) and 57 (Furniture, Homefurnishings and Equipment Stores).

Each of the major retail classifications covered in the FACT FILE will include information on store definitions where required, with explanation on any changes which affect comparability with the 1982 Census.

Another change involves the count of retail establishments in 1987 which affects comparability with 1982 counts as originally published, and should be noted by FACT FILE users who may also refer to the 1985 edition of A STATISTICAL ANALYSIS OF RETAILING.

Comparability of 1987 Census and 1982 Census of Retail Trade Reports (continued)

In 1987, the establishment count represented retail stores or other retail locations in business anytime during the year; in 1982 the count covered those in business at the end of the year.

Counts by sales size in 1987 covered stores in operation the entire year (at least 10 months); 1982 data had the same requirement but the stores also had to be in operation at the end of the year.

The Census Bureau has provided some adjustments in the 1982 counts on retail establishments to be comparable with 1987, limiting them to stores with payroll. The revisions have resulted in higher store counts for 1982 (see page 4). No revisions have been published for "firms".

Retail Sales By Major Store Types; 1982, 1987-1989

Where changes in SIC definitions have affected comparisons in sales for 1987 vs. 1982, the Census Bureau has compiled a "bridge table" in which 1987 store definitions follow the 1972 SIC system used in 1982 and earlier censuses (as well as current Census Bureau reports relating to retail trade). As noted, this primarily affects SIC Groups 53 and 57.

In the bridge table and other tables comparing 1987 and 1982, 1982 store counts have been retabulated to cover those in operation anytime during the year, matching 1987 methodology.

This FACT FILE focuses on the structure of retailing in major classifications as reported in the 1987 Census of Retail Trade. Estimates of retail sales by outlet type--employer and nonemployer--defined in terms of the 1972 SIC system, as compiled by the Census Bureau for 1987 through 1989, are shown in the following table. It should be noted that sales are in current dollars, not adjusted for inflation.

The complete 1987 Census reports issued by the Census Bureau will include further information on retailers, such as employment size, payrolls, location in metropolitan areas, etc. The Census Bureau can be contacted on the possibility of developing special tabulations on 1987 Census data where required.

Retail Sales By Major Store Types: 1982, 1987-1989 (continued)

Estimated Retail Sales By Outlet Type, 1982, 1987-1989
(Billions of current dollars)

	1989	1988	1987	1982	% Change 1989/87**
Retail trade, total*	$1,733.6	$1,650.0	$1,542.1	$1,069.4	12.4%
General merchandise stores	202.6	191.8	182.0	124.6	11.3
Department stores	163.3	155.1	147.2	103.3	11.3
Variety stores	7.2	7.2	7.1	8.2	0.8
Misc. general merch. stores	31.6	29.5	27.7	13.1	14.2
Apparel, accessory stores	91.6	84.9	79.3	55.6	15.0
Men's & boys' wear stores	9.5	9.4	9.0	7.8	4.9
Women's specialty stores	32.4	30.8	29.2	20.0	10.9
Family clothing stores	25.6	23.6	21.5	13.7	19.3
Shoe stores	16.8	15.4	14.6	11.4	15.0
Furniture, homefurnishings and equipment stores	90.0	85.4	78.1	46.8	15.3
Furniture, homefurnishings stores	49.2	47.5	44.5	27.1	10.6
Appliance, radio, TV stores	32.7	30.5	27.1	15.8	20.4
Sporting goods stores and bicycle shops	13.3	12.5	11.3	na	17.9
Jewelry stores	14.4	14.1	12.9	8.8	11.5
Food stores	349.3	326.5	309.5	246.1	12.9
Grocery stores	329.4	307.2	291.0	230.7	13.2
Meat, fish markets	6.5	6.4	6.3	5.7	4.4
Retail bakeries	4.5	5.5	5.2	3.8	5.1
Eating & drinking places	173.5	165.5	153.5	104.6	13.1
Liquor stores	20.0	19.6	19.8	18.1	0.9
Drug & proprietary stores	61.1	57.4	54.1	36.4	12.9
Book stores	6.6	6.0	5.3	na	23.1
Building materials, hardware, garden supply stores	93.0	91.2	83.4	51.0	11.5
Automotive dealers	377.7	371.6	342.9	192.4	10.1
Gasoline service stations	115.5	107.9	104.8	97.4	10.3
Fuel and ice dealers	15.2	14.7	14.5	na	4.4
Nonstore retailers	45.9	41.2	35.9	23.8	27.8

*Includes sales of employers and nonemployer retailers.

**Percent changes are calculated on sales reported in millions of dollars.

***Department store sales exclude leased departments. Sales for these are included in sales of specific types of business in which they operate.

Note: Store definitions are based on the 1972 Standard Industrial Classification Manual (SIC). Group totals and grand total include kinds of businesses not shown separately.

Source: U.S. Bureau of the Census, Current Business Reports: Revised Monthly Retail Sales and Inventories (BR89-R)

Retail Stores: 1987 and 1982

Retail Establishments with Payroll in Business Anytime During Year and Establishments in Business at End of Year Based on 1972 SIC for the U.S.: 1987 and 1982

1987 SIC Code		Establishments in business--			
		Anytime During Year*		At End of Year	
		1987	1982	1987	1982
	Retail trade (excl. automobile parts and accessories stores)	$1,503,593	1,421,988	1,376,961	1,321,624
	Store groups & selected store types:				
52	Building materials, garden supplies, etc.	73,805	70,010	69,225	66,402
525	Hardware stores	20,059	20,922	18,796	19,870
53	General merchandise stores	35,434	35,990	33,244	34,145
531	Department stores, total	11,069	10,163	10,836	9,981
531	With 50 employees or more	10,041	na	9,903	na
539 pt.	With 25 to 49 employees	1,028	na	933	na
533	Variety stores	10,424	11,703	9,650	10,989
539 pt	Miscellaneous gen'l. mdse. stores	13,941	14,124	12,758	13,175
54	Food stores	190,706	189,502	173,227	176,219
541	Grocery stores	137,584	137,905	125,595	128,494
55	Automotive dealers	102,704	93,580	95,669	89,070
554	Gasoline service stations	114,748	126,688	105,561	116,188
56	Apparel and accessory stores	149,435	141,319	137,496	132,198
561	Men's and boys' clothing stores	16,507	18,617	15,023	17,480
562.3	Women's clothing and spec. stores	59,794	52,401	55,284	49,022
562	Women's clothing stores	52,304	45,146	48,462	42,224
563	Women's accessory and spec. stores	7,490	7,255	6,822	6,798
	Furriers and fur shops	1,101	992	1,014	932
565	Family clothing stores	18,443	19,159	17,121	17,859
566	Shoe stores	39,488	38,506	36,358	36,277
	Men's shoe stores	3,866	4,411	3,560	4,153
	Women's shoe stores	9,272	8,306	8,475	7,832
	Children's, juveniles' shoe stores	1,268	1,052	1,173	994
	Family shoe stores	25,082	24,737	23,150	23,298
564	Children's, infants' wear stores	6,146	5,767	5,490	5,325
569	Misc. apparel and accessory stores	9,057	6,869	8,220	6,235
57	Furniture and homefurnishings stores	109,653	100,087	101,445	93,734
5712	Furniture stores	32,763	31,647	30,415	29,609
	Homefurnishings stores	31,986	26,505	29,720	24,837
5713	Floor covering stores	13,752	11,864	12,841	11,124
5714	Drapery and upholstery stores	3,856	4,341	3,590	4,063
5719	Misc. homefurnishings stores	14,378	10,300	13,289	9,649
572	Household appliance stores	11,192	11,574	10,421	10,542
573	Radio, TV, computer, music stores	33,712	30,361	30,889	28,746

(continued)

Retail Stores: 1987 and 1982

Retail Establishments with Payroll in Business Anytime During Year and Establishments in Business at End of Year Based on 1972 SIC for the U.S.: 1987 and 1982

(continued)

1987 SIC Code		Establishments in business--			
		Anytime During Year*		At End of Year	
		1987	1982	1987	1982
58	Eating and drinking places	391,303	351,794	350,668	19,873
591	Drug and proprietary stores	52,181	51,739	49,509	49,527
	Misc. retail stores (selected types)				
5941	Sporting goods stores, bicycle shops	21,601	19,554	19,825	18,161
	General line sporting goods stores	7,959	7,824	7,281	7,261
	Spec. line sporting goods stores	13,642	11,730	12,544	10,900
5944	Jewelry stores	28,050	24,173	21,553	21,802
5945	Hobby, toy, game shops	9,629	8,429	8,855	7,691
5948	Luggage, leather goods stores	2,009	1,987	1,846	1,883
5949	Sewing, needlework, piece goods stores	9,632	10,494	8,700	9,774
596	Nonstore retailers	23,064	23,241	21,553	21,802

(r) revised
* As reported in 1987 Census of Retail Trade.
**As defined in 1982 Census of Retail Trade.

Source: U.S. Bureau of the Census:
1987 Census of Retail Trade (RC87-A)

STORE TYPE INFORMATION

GENERAL MERCHANDISE STORES (SIC Major Group 53)

The General Merchandise Store Group includes retail stores selling a number of merchandise lines, such as apparel, homefurnishings, hardware, and food. It includes stores known as discount or mass merchandising operations, as well as conventional department stores. Sales from catalog desks within the stores are included in the sales figures, but not separate catalog sales.

Standard Industrial Classifications (SIC) for Group 53 Stores (revised 1987):

Department stores (SIC 531): Retail stores normally having 50 employees or more. (In the 1982 Census, department stores were defined as having 25 employees or more). This change affects comparisons between 1987 and 1982. In 1987, a total of 1,028 stores with 25 to 49 employees, with sales of $3.2 million, were affected by the change in definition, and classified in SIC 539: Miscellaneous General Merchandise Stores.

(continued)

GENERAL MERCHANDISE STORES (SIC Major Group 53)

Standard Industrial Classifications (SIC) for Group 53 Stores (revised 1987): (continued)

Sales of apparel and soft goods combined amount to 20% of department store's total sales which also include each of the three following groups of merchandise:

1. Furniture, homefurnishings, appliances, radio and TV sets.
2. A general line of apparel for the family.
3. Home textiles and dry goods.

Employment and lines of merchandise sold in leased departments are both taken into account when classifying a department store. Each of the three lines listed above must be less than 80% of total store sales. However, a store with total sales of $10 million or more is classified as a department store even if sales of one of the lines exceed 80% of the store total provided that the combined sales of the other two are $1 million or more. This affects relatively few stores and most of these would otherwise have been classified in the Apparel Group (SIC 56).

The 1987 Census of Retail Trade included the following subcategories of department stores:

Conventional Department Stores (SIC 531 pt.): Stores that satisfy the criteria outlined above, and--

1. Usually provide check-out service and customer assistance (salespersons) within each department.
2. May have a catalog order service in the store.

These stores often sell--

1. Soft goods and hard goods which are primarily nationally advertised brands.
2. Appliances which are serviced by another company.
3. Limited lines of merchandise through seasonal or special catalogs.

The Census reports included a separate breakdown for conventional department stores classified as National Chains Department Stores, differing from the above in that they often --

1. Sell soft goods and hard goods which are their own corporate brands or unbranded.
2. Sell appliances which are serviced by their own company.
3. Are affiliated with a company which operates similar stores on a national basis.

In 1987, three firms were classified as National Chain Department Stores. They operated 1,818 stores, and sales were reported at $35.4 billion in 1987. In the following section on department store firms and stores, the Census data on National Chains has been combined with that of the other conventional department stores, except where otherwise noted.

(continued)

STORE TYPE INFORMATION

GENERAL MERCHANDISE STORES (SIC Major Group 53)

Standard Industrial Classifications (SIC) for Group 53 Stores (revised 1987): (continued)

Discount or Mass Merchandising Department Stores (SIC 531 pt.)

Stores that satisfy the criteria of a department store and usually--

1. Convey the image of a high-volume, fast turnover outlet selling a variety of merchandise for less than conventional prices.
2. Provide centralized check-out service.
3. Do not provide customer assistance within store departments. Normally sales are made through self-service with minimal assistance provided in any department.
4. Do not have a catalog order service in the store.

These stores often sell soft goods that are store brands or unbranded; hard goods (appliances, housewares, etc.) which are primarily national brands; appliances which are serviced by another company.

Variety stores (SIC 533): Stores primarily selling a variety of merchandise in the low and popular price ranges, but not a complete line, and not departmentalized. Sales are usually made cash-and-carry, with the open selling method of display and customer selection of merchandise. Charge, delivery and other services are generally not offered.

Miscellaneous general merchandise stores (SIC 539): Stores primarily selling a general line of apparel, dry goods, hardware, homewares etc. in limited amounts. Those selling commodities covered in the department store definition, but with fewer than 50 employees, are in this classification. Also included are most catalog showrooms and establishments whose sales of apparel or furniture and homefurnishings exceed half of their total sales provided that sales of the smaller of the two lines in combination with dry goods and household linens account for 20% or more of total sales.

STORE TYPE INFORMATION

GENERAL MERCHANDISE STORES (SIC MAJOR GROUP 53)

General Merchandise Store Counts and Sales: 1987
(Including stores with and without payroll)
(Sales in millions of dollars)

	All Stores*		Stores With Payroll		Stores Without Payroll	
SIC 53	Number	Sales	Number	Sales	Number	Sales
General merchandise stores, total	56,868	$181,970.5	35,434	$181,147.3	21,434	$823.3
Department stores, excluding leased departments*	10,041	144,017.0**	10,041	144,017.0	--	--
Conventional stores*	4,243	81,463.2	4,243	81,463.2	--	--
Discount or mass merchandising*	5,798	62,553.8	5,798	62,553.8	--	--
Variety stores	20,722	7,134.3	10,424	6,762.2	10,298	372.2
Misc. general merchandise stores	26,105	30,819.2	14,969	30,368.1	11,136	451.1

Payrolls in General Merchandise Stores with Employment: 1987
(Dollar amounts are in thousands)

	Payroll		Paid Employees For
	Annual	1st quarter 1987	Pay Period Incl. Mar. 12
General merchandise stores, total	$19,586,611	$4,616,958	2,003,181
Department stores, excluding leased departments*	16,365,394	3,839,946	1,651,465
Conventional stores*	10,170,471	2,402,865	937,547
Discount or mass merchandising*	6,194,923	1,437,081	713,918
Variety stores	925,967	230,232	120,684
Misc. general merchandise stores	2,295,250	546,780	231,032

* See definitions on pages 6, 7 and 8
** Includes sales from catalog order desks.

Source: U.S. Bureau of the Census: 1987 Census of Retail Trade, Geographic Area Series: United States (RC87-A-52) and Non-Employer Statistics (RC87-N)

Stores and Sales: 1987 and 1982

As revised under the 1987 SIC system, department stores included only those stores with 50 employees or more. Stores meeting the store definition, but with 25 to 49 employees were classified in SIC 539: Miscellaneous General Merchandise Stores. A total of 1,028 stores were affected, with sales of $3,164 million.

In the 1982 and earlier censuses, department stores included those with 25 to 49 employees. To meet the need for comparative statistics, the Census Bureau has provided some information for 1987 based on the 1972 SIC definition used in the 1982 Census. Store counts for 1982 have been retabulated to cover those in operation anytime during the year.

In current dollars not adjusted for inflation, department stores of all types registered a 42.5% gain in sales in 1987 compared with 1982, based on stores in operation anytime during the year. Variety stores, however, faced with the problem of stocking their traditional limited price lines registered a decline of about 25% in the period, while sales of miscellaneous general merchandise stores (including junior department stores) were up 19%.

STORE TYPE INFORMATON

GENERAL MERCHANDISE STORES (SIC MAJOR GROUP 53)

Stores and Sales: 1987 and 1982 (continued)

GENERAL MERCHANDISE STORE COMPARATIVE STATISTICS BASED ON 1972 STANDARD INDUSTRIAL CLASSIFICATION SYSTEM: 1987 AND 1982
(Covers stores with payroll in operation anytime during year
Sales and payrolls: current dollars)

	Number of Stores			Sales (in millions)		
	1987	1982(r)	% Change	1987	1982	% Change
General merchandise stores	35,434	35,990	- 1.5%	$181,147.3	$124,156.9	45.9%
Department stores with 25 employees or more*	11,069	10,163	8.9	147,180.8	103,288.9(r)	42.5
With 50 employees or more	10,041	na	--	144,017.0	na	--
With 25-49 employees	1,028	na	--	3,163.8	na	--
Variety stores	10,424	11,703	-10.9	6,762.2	8,090.2	-16.4
Misc. general mdse. stores	13,941	14,124	- 1.3	27,204.4	12,777.8	112.9

	Annual Payroll (in millions)			Paid Employees For Pay Period Including March 1 (Number)		
	1987	1982(r)	% Change	1987	1982(r)	% Change
General merchandise stores	$19,585.6	$15,162.7	29.2%	2,003,181	1,875,965	6.8%
Department stores with 25 employees or more*	16,688.2	12,836.0	30.0	1,688,269	1,552,221	8.8
With 50 employees or more	16,365.4	na	--	1,651,465	na	--
With 25-49 employees	322.8	na	--	36,804	na	--
Variety stores	926.0	1,085.3	-14.7	120,684	160,565	-24.9
Misc. general mdse. stores	1,971.4	1,241.4	58.8	194,228	163,179	19.0

(r) revised
* Leased departments are taken into account when classifying a department store, but not included in the reported statistics on sales and payroll.
na not available

Source: U.S. Bureau of the Census: 1987 Census of Retail Trade, Geographic Area Series: United States (RC87-A-52)

Firms: Department Store

Ownership and control of major department stores have undergone drastic changes since 1987, particularly with the breakup or reorganization of such major firms as Campeau Corp. (involving their subsidiaries Allied Stores Corp. and Federated Dept. Stores); Batus Inc.; and L.J. Hooker Corp. Some important department stores are now under new management; others have been closed. In general, the past few years have been marked by a consolidation of control of department stores, in many cases under new management.

Firms as defined by the U.S. Census Bureau, and reported in the Census of Retail Trade are the ownership companies. All stores of subsidiary firms are included as part of the owning firm. For example, the 1987 census counts Campeau, not its subsidiaries. Unfortunately, therefore, the data on firms does not provide information at the divisional (buying headquarter) level for department stores and other multi-unit store types owned by conglomerate firms. (Note: Firms are counted in more than one store-type classification if they operate multi-type stores.)

STORE TYPE INFORMATION

GENERAL MERCHANDISE STORES (SIC MAJOR GROUP 53)

Firms: Department Store (continued)

In 1987, 294 firms owned the Nation's 10,041 department stores. Forty firms (13.6%) owned 9,148 stores (91.1% of the store total). These stores held a 93% share of department store sales.

181 firms operated conventional department stores. Of these, 11 had 100 or more stores (totaling 3,170, or 74% of the conventional department stores) with 1987 sales at $66.1 billion, 81% of the conventional store total. Stores operated by the 11 firms accounted for 32% of all department stores, 46% of sales in 1987.

132 firms operated discount mass merchandising department stores, with the store count at 5,798, sales at $62.5 billion. 10 firms had 100 or more stores for a total of 4,916--85% of the stores in this classification, with a 78% share of discount/mass merchandiser store sales.

SALES SIZE OF FIRMS
CONCENTRATION OF CONVENTIONAL, DISCOUNT/MASS MERCHANDISE
DEPARTMENT STORE FIRMS: 1987

	Stores		Sales	
Department Store Firms (SIC 531)*	No.	% of total	Mil. $	% of total
Conventional (181 firms)	4,243	100.0%	$81,463.2	100.0%
4 largest firms	2,614	61.6	57,363.7	70.4
8 largest firms	3,083	72.7	66,700.2	81.9
20 largest firms	3,548	83.6	75,162.1	92.3
50 largest firms	4,024	94.8	79,937.4	98.1
Discount or Mass Merchandisers (132 firms)	5,798	100.0	62,553.8	100.0
4 largest firms	3,844	66.3	41,584.2	66.5
8 largest firms	4,343	74.9	50,769.0	81.2
20 largest firms	5,447	93.9	59,474.5	95.1
50 largest firms	5,673	97.8	61,832.6	98.8

* 19 firms operated stores in both of the above department store classification. Firms are classified based on total sales.

**Includes 3 firms classified as National Chains (see definitions on page 7). These firms operated 1,818 stores (42.8% of the Conventional Department Store count), and had sales of $35,445.3 million (43.5% of conventional store sales).

Source: U.S. Bureau of the Census:
1987 Census of Retail Trade (RC97-S-1)

As discussed in the INTRODUCTION, certain changes in methodology have affected comparability of firm data for 1987 with earlier censuses of retail trade. The following table covers unrevised 1982 data, not exactly comparable to 1987, but gives a general outline of concentration in the two years. There were 502 firms in 1982; 294 in 1987 as defined by the Census Bureau. Separate figures were not reported for conventional and discount/mass merchandising firms in 1982.

GENERAL MERCHANDISE STORES (SIC MAJOR GROUP 53)

Firms: Department Store (continued)

SALES SIZE OF FIRMS
CONCENTRATION OF ALL DEPARTMENT STORE FIRMS: 1987 AND 1982

Largest firms (SIC 531):	No. of Department Stores		Sales (millions)	
	1987*	1982**	1987*	1982**
Number of stores operated and sales (mil. $)	10,041	9,981	$144,017.0	$99,170.2
Percent of total	100.0%	100.0%	100.0%	100.0%
4 largest firms***	46.4	37.5	44.4	42.0
8 largest firms	60.2	51.8	66.0	57.8
20 largest firms	79.4	70.0	85.4	81.5
50 largest firms	92.6	85.4	95.5	91.8

*Stores in operation anytime during year.

**Stores in operation at end of year as defined in 1972 SIC.

***Includes 3 National Chain Department Store firms operating 18.1% of the department stores, and accounting for 24.6% of total department store sales in 1987, including conventional and discount department stores.

Source: U.S. Bureau of the Census:
Censuses of Retail Trade (RC87-S-1, RC82-1-1)

SINGLE AND MULTIUNIT DEPARTMENT STORE FIRMS: 1987
(Sales in thousands of dollars)

	Firms*		Department Stores Operated:			
	No.	%	No.	%	Sales	%
Total (SIC 531)	294	100.0	10,041	100.0	$144,016,976	100.0
Single unit firms	66	22.4	66	0.7	630,499	0.4
Multiunit firms	228	77.6	9,975	99.3	143,386,477	99.6
1 - 4 stores**	140	47.6	267	2.6	2,354,245	1.6
5 - 9 stores	20	6.8	142	1.4	1,865,416	1.3
10 - 24 stores	28	9.5	418	4.2	5,498,277	3.8
25 - 99 stores	21	7.1	972	9.7	15,279,192	10.6
100 or more stores	19	6.5	8,176	81.4	118,389,437	82.2

* Firms are the companies that own the stores, and include stores operated through subsidiary companies.

** A multiunit firm may operate only one department store. 60 firms of this type were counted in 1987.

Source: U.S. Bureau of the Census:
1987 Census of Retail Trade (RC87-S-1)

GENERAL MERCHANDISE STORES (SIC MAJOR GROUP 53)

Department Stores: Type of Operation and Sales

Stores defined as conventional operations (including the National Chains) represented 42.3% of the stores in 1987 but held a 56.6% share of department store sales. Stores classified as discount or mass merchandiser department stores had a 57.7% share of stores, a 43.4% share of sales. Of course there are discounters in other general merchandise store classifications--those which do not meet the SIC definition for a department store -- as well as in specialty store classifications.

DEPARTMENT STORE SUBDIVISIONS: STORES AND SALES: 1987

	Stores		Sales	
	No.	%	Thous. $	%
Department stores (SIC 531), total	10,041	100.0%	$144,016,976	100.0%
Conventional stores	4,243	42.3	81,463,181	56.6
National chains	1,818	18.1	35,445,344	24.6
Discounter/mass merchandiser	5,798	57.7	62,553,795	43.4

Source: U.S. Bureau of the Census: 1987 Census of Retail Trade (RC87-5-1)

Over a third of the 1987 sales of department stores (including conventional and discount/mass merchandiser department stores) was accounted for by 1,172 stores (12% of the total) with annual volume of $25 million or more. The 4,361 stores in the $10-$24.9 million sales group (45% of the stores) accounted for 46% of department store volume.

Because of rules preventing the disclosure of operations of individual companies, the Census Bureau has withheld from publication complete sales patterns for conventional department stores and for those classified as discounters or mass merchandisers. However, it is noted that the $10-$24.9 million sales group accounted for 44% of the stores and 37% of the sales of all conventional department stores. Comparable shares among discounters/mass merchandisers were 46% of the stores, 58% of the sales of this group. This group held a 54% share of all department store business done by stores in the $10-$24.9 million sales group.

DEPARTMENT STORE SUBDIVISIONS BY SALES SIZE: 1987
(Sales in million of dollars)

	All Department Stores				Conventional			Mass Merchandiser		
	No.	%	Sales	%	No.	%	Sales	No.	%	Sales
Total, all dept. stores	10,041		$144,017		4,243		$81,463	5,798		$62,554
In business entire year	9,690	100.0	141,879	100.0	4,099	100.0	80,408	5,591	100.0	61,471
Sales volume, 1987:										
$25 mil. or more	1,172	12.1	48,178	34.0	1,030	25.1	(D)	142	2.5	(D)
$10.0 - $24.9 mil.	4,361	45.0	65,854	46.4	1,809	44.1	30,010	2,552	45.6	35,844
$ 5.0 - $ 9.9 mil.	3,287	33.9	24,415	17.2	917	22.4	6,814	2,370	42.4	17,601
$ 2.5 - $ 4.9 mil.	827	8.6	3,341	2.4	315	7.7	(D)	512	9.2	(D)
$ 1.0 - $ 2.4 mil.	43	0.4	89	*	28	0.7	(D)	15	0.3	(D)

* Less than 0.1% (D) Withheld to avoid disclosure.

Source: Based on U.S. Bureau of the Census:
1987 Census of Retail Trade (RC87-S-1)

GENERAL MERCHANDISE STORES (SIC MAJOR GROUP 53)

Department Stores: By Sales Size-1987 and 1982

While comparisons by stores' sales size for 1987 and 1982 are not exact as the 1982 classification of stores includes those with 25 to 49 employees; the 1987 does not, the following table confirms the growing concentration of department store business among large stores.

Department stores in operation the entire year, with a sales volume of $10 million or more, accounted for 57.1% of the stores in 1987 and these stores held an 80.4% of share of sales. In 1982, stores of this size accounted for 31.2% of the store count, and had a 64% share of sales.

The $25 million-and-over group represented 12.1% of the stores in 1987, 7.1% in 1982; of sales, they accounted for 34% vs. 27% in 1982.

SALES SIZE OF DEPARTMENT STORES IN OPERATION ENTIRE YEAR: 1982, 1987
(Sales in millions of current dollars)

	Number of stores		Sales (mil.)		% Distribution			
					Stores		Sales	
	1987	1982	1987	1982	1987	1982	1987	1982
Total, all dept. stores	10,041	9,981	$144,017.0	$99,170.2				
In operation entire year	9,690	9,744	141,878.8	97,376.2	100.0	100.0	100.0	100.0
Annual sales volume:								
$25 mil. or more	1,172	694	48,178.1	26,244.1	12.1	7.1	34.0	27.0
$10.0 - $24.9 mil.	4,361	2,347	65,854.4	36,046.7	45.0	24.1	46.4	37.0
$ 5.0 - $ 9.9 mil.	3,287	3,503	24,415.4	24,936.4	33.9	35.9	17.2	25.6
$ 2.5 - $ 4.9 mil.	827	2,277	3,341.5	8,467.1	8.5	23.4	2.3	8.7
Less than $2.5 mil.	43	923	89.4	1,681.9	0.4	9.5	0.1	1.7

Note: Comparisons are affected by change in store definition. See page 6. Above data is based on 1987 SIC system for 1987, the 1972 SIC for 1982. Data for department store subdivision firms was not reported for 1982.

Department Stores: Regional/State Distribution

The 1987 census of retail trade covered information on the number of retail establishments with payroll which were in operation at the end of 1987 in each state and in metropolitan areas. Sales information has been reported except where withheld to avoid disclosure of data for individual companies.

On a regional basis, including department stores classified as conventional and discounter/mass merchandiser department stores, the largest concentration of stores was in the South Atlantic Region--20.1% of the U.S. total. This region, however, with 17.7% of department store sales (excluding leased departments) was second to the East North Central Region which held an 18.6% of U.S. department store sales with 17.8% of the stores.

STORE TYPE INFORMATION

GENERAL MERCHANDISE STORES (SIC MAJOR GROUP 53)

Department Stores: Regional/State Distribution (continued)

NUMBER AND SALES OF DEPARTMENT STORES BY U.S. REGIONS, STATES: 1987
(Sales in millions of dollars)

	All Department Stores				Conventional*		Discounter/ Mass Mdsr.*	
	Number	%	Sales	%	Number	Sales	Number	Sales
U.S. Total	10,041	100.0	$144,017	100.0	4,243	$81,463	5,798	$62,554
New England	618	6.1	8,445	5.9	172	3,951	446	4,527
Connecticut	154		2,288		52	1,197	102	1,091
Maine	64		570		17	211	47	359
Massachusetts	266		3,917		69	1,826	197	2,091
New Hampshire	71		847		17	343	54	503
Rhode Island	38		611		12	283	26	328
Vermont	25		211		5	91	20	153
Middle Atlantic	1,276	12.7	21,568	15.0	542	--	734	--
New Jersey	233		4,889		94	(D)	139	(D)
New York	485		9,246		221	(D)	264	(D)
Pennsylvania	558		7,433		227	4,469	331	2,964
East North Central	1,791	17.8	26,837	18.6	655	--	1,136	--
Illinois	440		6,861		159	3,754	281	3,107
Indiana	273		3,250		95	1,545	178	1,705
Michigan	337		7,119		126	(D)	211	(D)
Ohio	516		6,859		194	3,795	322	3,063
Wisconsin	225		2,748		81	1,073	144	1,675
West North Central	820	8.2	10,948	7.6	318	--	502	--
Iowa	153		1,560		66	613	87	947
Kansas	118		1,438		47	638	71	800
Minnesota	152		2,808		65	1,393	87	1,415
Missouri	259		3,576		83	1,511	176	2,066
Nebraska	79		869		32	360	47	510
North Dakota	33		408		17	(D)	16	(D)
South Dakota	26		287		8	101	18	186
South Atlantic	2,019	20.1	24,688	17.1	867	--	1,152	--
Delaware	40		583		13	371	27	212
District of Columbia	10		272		9	(D)	1	(D)
Florida	609		8,076		297	4,875	312	3,201
Georgia	300		3,983		115	2,215	185	1,768
Maryland	204		3,027		98	2,117	106	910
North Carolina	328		2,999		113	1,488	215	1,511
South Carolina	154		1,533		60	700	94	833
Virginia	292		3,327		126	2,009	166	1,318
West Virginia	82		888		36	464	46	424

(continued)

STORE TYPE INFORMATION

GENERAL MERCHANDISE STORES (SIC MAJOR GROUP 53)

Department Stores: Regional/State Distribution (continued)

NUMBER AND SALES OF DEPARTMENT STORES BY U.S. REGIONS, STATES: 1987
(Sales in millions of dollars)
(continued)

	All Department Stores				Conventional*		Discounter/ Mass Mdsr.*	
	Number	%	Sales	%	Number	Sales	Number	Sales
East South Central	741	7.4	$8,273	5.7	246	--	495	--
Alabama	178		2,147		63	(D)	115	(D)
Kentucky	190		1,987		54	770	136	1,217
Mississippi	105		1,126		37	(D)	68	(D)
Tennessee	268		3,012		92	1,270	176	1,742
West South Central	1,182	11.8	15,199	10.6	470	--	712	--
Arkansas	122		1,440		26	(D)	96	(D)
Louisiana	181		2,329		70	(D)	111	(D)
Oklahoma	158		1.675		47	537	111	1,138
Texas	721		9,756		327	5,441	394	4,315
Mountain	518	5.2	6,722	4.7	281	--	237	--
Arizona	105		1,730		66	(D)	39	(D)
Colorado	152		1,982		86	1,194	66	788
Idaho	42		366		21	137	21	228
Montana	37		325		21	152	16	173
Nevada	42		709		28	(D)	14	(D)
New Mexico	57		662		22	(D)	35	(D)
Utah	63		799		29	(D)	34	(D)
Wyoming	20		148		8	(D)	12	(D)
Pacific	1,076	10.7	21,337	14.8	692	--	384	--
California	807		16,256		547	(D)	260	(D)
Oregon	102		1,795		43	(D)	59	(D)
Washington	134		2,493		76	(D)	58	(D)
Alaska	7		205		3	(D)	4	(D)
Hawaii	26		588		23	(D)	3	(D)

(D) Withheld to avoid disclosure of individual company operations.
* See definitions on page 7.

Note: Percents are calculated on unrounded data.

Source: Based on state information reported by U.S. Bureau of the Census: 1987 Census of Retail Trade, Geographic Area Series (RC87-A-52)

STORE TYPE INFORMATION

GENERAL MERCHANDISE STORES (SIC MAJOR GROUP 53)

Department Stores: Regional/State Distribution (continued)

METROPOLITAN AREAS LEADING IN DEPARTMENT STORE SALES: 1987

	Stores		Sales*	
Metropolitan Area**	Number	% of U.S. Total	Mil. $	% of U.S. Total
New York, Northern NJ-Long Island NY-NJ-CT	338	3.3%	$ 9,963.7	6.9%
Los Angeles-Anaheim-Riverside, CA	386	3.8	8,132.2	5.6
Chicago-Gary-Lake County IL-IN-WI	250	2.5	4,814.5	3.3
Philadelphia-Wilmington-Trenton, PA-NJ-DE-MD	220	2.2	3,977.9	2.8
San Francisco-Oakland-San Jose, CA	163	1.6	3,938.0	2.7
Detroit-Ann Arbor, MI	144	1.4	3,533.4	2.4
Boston-Lawrence-Salem, MA-NH	168	1.7	2,803.2	1.9
Dallas-Fort Worth, TX	162	1.6	2,616.5	1.8
Washington, DC-MD-VA (MSA)	128	1.3	2,567.9	1.8
Houston-Galveston-Brazoria, TX	145	1.4	2,359.2	1.6
Atlanta, GA (MSA)	131	1.3	2,194.6	1.5
Minneapolis-St. Paul, MS-WI (MSA)	80	0.8	2,074.6	1.4
St. Louis, MO-IL (MSA)	108	1.1	1,917.1	1.3
Cleveland-Akron-Lorain, OH	121	1.2	1,795.3	1.2
Pittsburgh-Beaver Valley, PA	120	1.1	1,651.9	1.1
Baltimore, MD (MSA)	100	1.0	1,422.8	1.0
Subtotal	2,764	27.5	55,762.8	38.7

* Sales of leased departments are not included

** Above are Consolidated Metropolitan Statistical Areas (CMSA) unless otherwise noted, meaning that they are among the 23 U.S. CMSAs which comprise the largest metro areas based on population size. The MSAs are Metropolitan Statistical Areas which are not among the top 23 in population size, though rank high in retail volume due to the large areas served.

Source: Based on U.S. Census Bureau;
1987 Census of Retail Trade, (RC87-A-52)

Firms: Other Than Department Stores

There were 4,034 variety store firms (SIC 533) in 1987 operating 10,424 stores. 374 were multi-unit firms, operating 6,764 stores (65% of the total), which accounted for 86% of variety store sales. Nine firms had 100 or more variety stores. These firms accounted for 49% of the stores and 72% of variety store sales in 1987.

Miscellaneous general merchandise stores (SIC 539) covering stores with payroll but having fewer than 50 employees which sell department store merchandise, and country and general stores, were operated by 8,752 firms in 1987 and there were 14,969 stores in the classification. Most firms (7,922) were single-unit operations, but 14 had over 100 stores (totaling 3,710) which accounted for 39% of sales in this classification.

GENERAL MERCHANDISE STORES (SIC MAJOR GROUP 53)

Firms: Other Than Department Stores (continued)

SALES SIZE OF FIRMS
CONCENTRATION OF VARIETY AND GENERAL MERCHANDISE STORE FIRMS: 1987

	Firms with Payroll			
	Stores		Sales	
Variety Stores (SIC 533)	Number	As % of Total	Mil. $	As % of Total
Total firms (4,034)	10,424	100.0%	$ 6,762.2	100.0%
4 largest firms	4,036	38.7	4,264.5	63.1
8 largest firms	4,921	47.2	4,827.7	71.4
20 largest firms	5,627	54.0	5,286.1	78.2
50 largest firms	6,053	58.1	5,554.3	82.1
Miscellaneous General Merchandise Stores (SIC 539)				
Total firms (8,752)	14,969	100.0%	$30,368.1	100.0%
4 largest firms	660	4.4	10,958.1	36.1
8 largest firms	781	5.2	14,619.5	48.1
20 largest firms	3,382	22.6	19,648.9	64.7
50 largest firms	4,587	30.6	23,291.4	76.7

Note: Firms are classified based on total sales, which may include other businesses.

Source: U.S. Bureau of the Census,
1987 Census of Retail Trade, (RC87-S-1)

FIRM SIZE: NUMBER OF STORES OPERATED & SALES SIZE; 1987
(Sales in millions)

STORES	Variety Stores			Miscellaneous General Merchandise Stores		
	Firms	Stores	Sales	Firms	Stores	Sales
Total	4,034	10,424	$6,762.2	8,752	14,969	$30,368.1
Percent	100.0	100.0	100.0	100.0	100.0	100.0
Single unit	90.7	35.1	13.7	90.5	52.9	10.8
Multiunit	9.3	64.9	86.3	9.5	47.1	89.2
Under 10 stores	8.3	6.8	5.3	8.5	10.9	11.1
10 to 49 stores	0.5	4.1	4.8	0.8	9.4	37.1
50 to 99 stores	0.2	5.1	4.1	0.2	2.0	2.1
100 or more stores	0.2	48.9	72.1		24.8	38.9

(continued)

STORE TYPE INFORMATION

GENERAL MERCHANDISE STORES (SIC MAJOR GROUP 53)

Firms: Other Than Department Stores (continued)

FIRM SIZE: NUMBER OF STORES OPERATED AND SALES SIZE; 1987
(Sales in millions)
(continued)

SALES	Variety Stores			Miscellaneous General Merchandise Stores		
	Firms	Stores	Sales	Firms	Stores	Sales
Total	4,034	10,424	$6,762.2	8,752	14,969	$30,368.1
Firms in operation entire year	3,395	9,776	(6,500)*	7,384	13,585	30,138.6
Percent	100.0	100.0	100.0	100.0	100.0	100.0
$10 mil. or more	0.9	60.4	80.6	2.2	41.0	85.6
$ 1 mil. to $9.9 mil.	6.7	3.8	7.2	13.5	12.2	8.7
Under $1 mil.	92.4	35.8	12.2	84.3	46.8	5.7

* Estimated. Sales data withheld by Census Bureau to avoid disclosure.

Source: Based on U.S. Census Bureau:
1987 Census of Retail Trade, (RC87-S-1)

Stores with Payroll

SALES SIZE OF STORES: 1987

SALES	Variety Stores (SIC 533)				Miscellaneous General Merchandise Stores			
	Stores		Sales		Stores		Sales	
	No.	%	Mil. $	%	No.	%	Mil. $	%
Total	10,424		$6,762.2		14,969		30,368.1	
Stores in operation entire year	9,469	100.0	6,540.1	100.0	13,127	100.0	29,580.9	100.0
Total sales:								
$5 mil. or more	76	0.8	581.3	8.9	1,189	9.1	19,274.2	65.2
$1 mil. to $4.9 mil.	1,647	17.4	2,895.4	44.3	3,066	23.3	7,394.0	25.0
Under $1 mil.	7,746	81.8	3,063.4	46.8	8,872	67.6	2,912.6	9.8

Source: Based on U.S. Census Bureau:
1987 Census of Retail Trade, (RC87-S-1)

STORE TYPE INFORMATION

APPAREL AND ACCESSORY STORES (SIC MAJOR GROUP 56)

This group includes stores primarily selling clothing and footwear of all types and shoe stores. These specialties covered in 3-digit SIC classification titles are generally self-explanatory. They are based on sales of the specified apparel accounting for 50% or more of total sales and sales are three or more times the receipts from sales of other major apparel classifica- tions (i.e., for men's and boys' wear stores selling women's and girls' wear, the receipts from the former are three or more times greater than from the latter).

As noted in the INTRODUCTION, the 1987 Census store classifications follow the 1987 SIC system; the 1982 Census followed the 1972 SIC system. In the Apparel and Accessory Store Group only a minor change is involved: furriers (retail) and fur shops, separately counted in the 1982 Census, were included in SIC 563: Women's Accessory and Specialty Stores. In addition to furs, this classification includes stores specializing in the sale of millinery, innerwear, hosiery, gloves, etc. (not including jewelry, cosmetics or other nonapparel items).

Leased departments operating in department stores are counted in the specialty store classifications covering the business of the departments. They are not included in the data for the department store. In other words, a leased shoe department in a department store is counted as a shoe store.

Family Clothing Stores (SIC 565) are stores primarily selling clothing, furnishings, accessories for men, women and children, without specializing in any one line and meet the following: (1) sales of all types of apparel (except as noted in the definition for general merchandise stores on page 4) account for 50% or more of their total sales; (2) sales of women's and girls' apparel are not more than three times the sales of all men's and boys' wear, and vice-versa.

Miscellaneous Apparel and Accessory Stores (SIC 569) are stores primarily selling specialized lines of apparel not elsewhere classified--such as uniforms, swimwear, riding apparel, active sports apparel, wigs. Custom tailors making and selling apparel at retail are also included, as well as infants' and children's wear specialty stores. Shoe stores are classified in SIC 566.

The following table covers a summary of the stores in SIC 56, including both employer and nonemployer (mom-and-pop stores). Subsequent tables cover only those stores and firms that had payrolls.

APPAREL AND ACCESSORY STORES (SIC MAJOR GROUP 56)

APPAREL/ACCESSORY/SHOE STORE COUNTS AND SALES: 1987
(Including stores with and without payroll)
(Sales in millions)

	All Stores		Stores With Payroll		Stores Without Payroll	
	Number	Sales	Number	Sales	Number	Sales
Total SIC 56	197,411	$79,322.2	149,435	$77,390.8	47,976	$1,931.5
Apparel/accessory stores	148,071	64,728.3	109,947	62,980.0	44,124	1,748.4
Men's/boys' wear stores (SIC 561)	19,139	9,017.3	16,507	8,868.8	2,632	148.5
Women's/girls' wear stores	76,865	29,207.8	59,794	28,530.8	17,071	676.9
Clothing (ready-to-wear) stores (562)	64,259	26,365.7	52,304	25,867.6	11,955	498.1
Acces. & spec. stores (563)	12,606	2,842.0	7,490	2,663.2	5,116	178.8
Family clothing stores (SIC 565)	26,956	21,471.8	18,443	21,117.1	8,513	354.6
Other apparel/accessory stores (564.9)*	31,111	5,031.4	15,203	4,463.2	15,908	568.3
Shoe stores (566)	43,340	14,593.9	39,488	14,410.8	3,852	183.1

* Includes children's/infants' wear stores (SIC 564) and miscellaneous apparel and accessory stores (SIC 569).

Source: Based on U.S. Census Bureau, 1987 Census of Retail Trade, (RC87-A-52, RC87-N)

Apparel/Accessory Stores With Payroll (SIC 56 part): 1987 and 1982

The following "bridge table" has been compiled by the Census Bureau to provide 1987 data comparable to 1982 on a store basis. (See INTRODUCTION.)

A 6.9% increase in the number of stores and a gain of 45.3% in sales (current dollars) in 1987 compared with 1982 was registered by apparel/accessory stores, not including shoe stores. However, the pattern of change varied by store type. Women's and girls' wear stores increased 14.1% in number; sales without adjustment for inflation were up 44.5%. Men's and boys' wear stores declined in number of outlets, but registered a sales gain of 14.7%. Family clothing stores declined 3.7% in number but registered a 57% sales gain. The sharpest percentage gains were in stores in specialized lines (SIC 569), such as active sports apparel.

STORE TYPE INFORMATION

APPAREL AND ACCESSORY STORES (SIC MAJOR GROUP 56)

Apparel/Accessory Stores with Payroll (SIC 56 part): 1987 and 1982 (continued)

APPAREL/ACCESSORY/STORE COMPARATIVE STATISTICS BASED ON 1972 STANDARD INDUSTRIAL CLASSIFICATION SYSTEM: 1987 AND 1982

(Sales and payrolls in millions of current dollars)

	Number of Stores*			Sales*		
	1987	1982(r)	% Change	1987	1982(r)	% Change**
Apparel/accessory stores, total	109,947	102,813	6.9%	$62,980.0	$43,346.9	45.3%
Men's/boys' wear stores	16,507	18,617	- 11.3	8,868.8	7,734.5	14.7
Women's/girls' wear stores	59,794	52,401	14.1	28,530.8	19,742.5(r)	44.5
Clothing (ready-to-wear) stores	52,304	45,146	15.8	25,867.6	18,002.1(r)	43.7
Accessory & specialty stores	7,490	7,255	3.2	2,663.2	1,740.4	53.0
Furriers, fur shops	1,101	992	11.0	943.2	519.2	81.7
Family clothing stores	18,443	19,159	- 3.7	21,117.1	13,451.0	57.0
Children's/infants' wear stores	6,146	5,767	6.6	2,101.5	1,356.0	55.0
Misc. apparel and accessory stores (SIC 569)	9,057	6,869	31.8	2,361.7	1,062.8	122.2

	Annual Payroll*			Paid Employees For Period Including March 1 (Number)*		
	1987	1982(r)	% Change	1987	1982(r)	% Change
Apparel/accessory stores, total	$7,844.2	5,883.5	33.3%	915,774	778,076	17.7%
Men's/boys' wear stores	1,360.7	1,223.6	11.2	115,169	123,136	-6.5
Women's/girls' wear stores	3,518.7	2,649.4	32.8	454,612	384,707	18.2
Clothing stores	3,150.3	2,383.4	32.2	418,972	351,277	19.3
Accessory & specialty stores	368.4	266.0	38.5	35,640	33,430	6.6
Furriers, fur shops	146.9	83.7	75.6	7,875	6,030	30.6
Family clothing stores	2,362.4	1,671.1	41.4	267,719	218,932	22.3
Children's/infants' wear stores	244.9	172.3	42.1	37,284	28,388	31.3
Misc. apparel and accessory stores (SIC 569)	357.5	167.0	114.1	40,990	22,913	70.9

(r) revised

* Covers stores in operation anytime during the year.

** Percent changes are calculated on dollar figures in thousands.

Source: U.S. Bureau of the Census
1987 Census of Retail Trade (RC87-A-52)

STORE TYPE INFORMATION

APPAREL AND ACCESSORY STORES (SIC MAJOR GROUP 56)

Apparel/Accessory Store Firms (SIC 56 Part)

As noted in the INTRODUCTION, a firm consists of one or more stores under common ownership or control. Subsidiary firms or companies are not separately counted but are included in the data on the owning company, along with the stores operated in the designated store classification. A firm operating stores in more than one SIC is counted in each pertinent classification. A multiunit firm may operate only one store in a specified classification. For example, a multiunit department store firm may operate one apparel specialty store. A total of 73,673 firms with payroll were counted in SIC 56 in 1982.

A total of 73,673 firms, classified in SIC 56, operate apparel, accessory or shoe stores with payroll in 1987. The following table shows the number of single and multiunit firms in the major apparel and accessory store classifications. Not included in this table are the 12,469 firms operating shoe stores in 1987, which are separately listed in this FACT FILE.

SINGLE AND MULTIUNIT FIRMS OPERATING APPAREL AND ACCESSORY STORES: 1987
(Dollar figures in millions)

	Men's/Boys' Wear Stores (SIC 561)					Women's/Girls' Clothing Stores (SIC 562)				
	Firms		Stores			Firms		Stores		
	No.	%	No.	Sales	%	No.	%	No.	Sales	%
Firms	10,201	100.0	16,507	$8,868.8	100.0	26,260	100.0	52,304	$ 25,867.6	100.0
Single units	8,776	86.0	8,776	3,331.6	37.6	23,182	88.3	23,182	6,177.1	23.9
Multiunits	1,425	14.0	7,731	5,537.2	62.4	3,078	11.7	29,122	19,690.5	76.1
1 - 4 stores	1,208	11.8	2,268	1,684.3	19.0	2,544	9.7	4,901	2,583.4	10.0
5 - 24 stores	180	1.8	1,625	1,230.2	13.9	423	1.6	3,803	2,796.7	10.8
25 - 99 stores	29	0.3	1,354	1,254.7	14.1	67	0.3	3,288	2,787.3	10.8
100 or more stores	8	0.1	2,484	1,367.9	15.4	44	0.2	17,130	11,523.1	44.5

	Women's Accessory and Specialty Stores (SIC 563)					Family Clothing Stores (SIC 565)				
	Firms		Stores			Firms		Stores		
	No.	%	No.	Sales	%	No.	%	No.	Sales	%
Firms	4,787	100.0	7,490	$2,663.2	100.0	9,920	100.0	18,443	$ 21,117.1	100.0
Single units	4,316	90.2	4,316	1,279.4	48.0	8,442	85.1	8,442	3,154.9	14.9
Multiunits	471	9.8	3,174	1,383.8	52.0	1,478	14.9	10,001	17,962.3	85.1
1 - 4 stores	387	8.1	700	374.0	14.0	1,237	12.5	2,208	1,862.8	8.8
5 - 24 stores	70	1.5	614	384.0	14.4	192	1.9	1,864	3,120.9	14.8
25 - 99 stores	9	0.2	416	215.9	8.2	32	0.3	1,384	3,562.5	16.9
100 or more stores	5	0.1	1,444	409.9	15.4	17	0.2	4,545	9,146.0	44.6

(continued)

STORE TYPE INFORMATION

APPAREL AND ACCESSORY STORES (SIC MAJOR GROUP 56)

Apparel/Accessory Store Firms (SIC 56 Part) (continued)

SINGLE AND MULTIUNIT FIRMS OPERATING APPAREL AND ACCESSORY STORES: 1987
(Dollar figures in millions)
(continued)

	Children's/Infants/ Wear Stores (SIC 564)					Misc. Apparel/Access. Stores (SIC 569)				
	Firms		Stores			Firms		Stores		
	No.	%	No.	Sales	%	No.	%	No.	Sales	%
Firms	4,757	100.0	6,146	$2,101.5	100.0	6,476	100.0	9,057	$2,361.7	100.0
Single units	4,304	90.5	4,304	915.8	43.6	5,668	87.5	5,668	1,290.8	54.7
Multiunits	453	9.5	1,842	1,185.7	56.4	808	12.5	3,389	1,070.9	45.3
1 - 4 stores	422	8.9	750	350.2	16.7	713	11.0	1,380	566.9	24.0
5 - 24 stores	23	0.5	236	125.7	6.0	84	1.3	693	291.7	12.3
25 - 99 stores	5	0.1	238	335.1	15.9	9	0.1	271	212.3	9.0
100 or more stores	3	0.1	618	374.7	17.8	2	*	1,045		

* Less than 0.1%

Source: U.S. Bureau of the Census:
1987 Census of Retail Trade (RC87-S-1)

SALES SIZE OF FIRMS
CONCENTRATION BY LARGEST FIRMS OPERATING APPAREL AND ACCESSORY STORES: 1987

	Stores Operated		Sales	
	Number	As % of Total	Thous. $	As % of Total
Apparel, accessory, shoe store firms (SIC 56), total	149,435	100.0%	$ 77,390,774	100.0%
4 largest firms	11,321	7.6	10,314,767	13.3
8 largest firms	17,484	11.7	16,182,800	20.9
20 largest firms	28,898	19.3	25,793,896	33.3
50 largest firms	39,628	26.5	33,233,515	42.9
Men's/boys' wear store firms (SIC 561)	16,507	100.0	8,868,812	100.0
4 largest firms	1,755	10.6	1,225,352	13.0
8 largest firms	2,030	12.3	1,618,066	18.2
20 largest firms	3,025	18.3	2,312,565	26.1
50 largest firms	3,801	23.0	3,124,632	35.2
Women's/girls' clothing store firms (SIC 562)	52,304	100.0	25,867,595	100.0
4 largest firms	7,425	14.2	5,710,874	22.1
8 largest firms	9,284	17.5	7,762,956	30.0
20 largest firms	12,232	23.4	10,282,423	39.8
50 largest firms	16,626	31.8	13,046,316	50.4

(continued)

STORE TYPE INFORMATION

APPAREL AND ACCESSORY STORES (SIC MAJOR GROUP 56)

Apparel/Accessory Store Firms (SIC 56 Part) (continued)

SALES SIZE OF FIRMS
CONCENTRATION BY LARGEST FIRMS OPERATING APPAREL AND ACCESSORY STORES: 1987
(continued)

	Stores Operated		Sales	
	Number	As % of Total	Thous. $	As % of Total
Women's accessory/specialty store firms (SIC 563)	7,490	100.0%	$2,663,248	100.0%
4 largest firms	732	9.8	496,072	18.6
8 largest firms	1,246	16.6	658,658	24.7
20 largest firms	1,774	23.7	873,945	32.8
50 largest firms	2,019	26.9	1,118,720	42.0
Family clothing store firms (SIC 565)	18,443	100.0	21,117,148	100.0
4 largest firms	1,474	8.0	6,303,552	29.9
8 largest firms	2,883	15.6	9,236,560	43.7
20 largest firms	4,097	22.2	12,171,097	57.6
50 largest firms	5,369	29.1	14,243,116	67.4
Children's/infants' wear store firms (SIC 564)	6,146	100.0	2,101,471	100.0
4 largest firms	693	11.3	607,815	5.5
8 largest firms	816	13.3	730,625	9.0
20 largest firms	967	15.7	851,631	40.5
50 largest firms	1,081	17.6	986,139	46.9
Misc. apparel/accessory store firms (SIC 569)*	9,057	100.0	2,361,696	100.0
4 largest firms	297	3.3	128,757	5.5
8 largest firms	1,172	12.9	213,406	9.0
20 largest firms	1,329	14.7	348,908	15.8
50 largest firms	1,598	17.6	536,514	22.7

Note: Firms are classified based on total sales which may include other businesses.

* Not including shoe store firms.

Source: U.S. Bureau of the Census:
1987 Census of Retail Trade (RC87-S-1)

APPAREL AND ACCESSORY STORES (SIC MAJOR GROUP 56)

Apparel/Accessory Store Firms (SIC 56 Part) (continued)

COMPARATIVE CONCENTRATION LEVELS OF THE LARGEST APPAREL/ACCESSORY STORE FIRMS WITH PAYROLL: 1987 AND 1982

	The 50 Largest Firms As % of Each SIC Total			
	Stores Operated		Sales	
	1987	1982*	1987	1982
Apparel, accessory, shoe store firms (56), total	26.5%	23.5%	42.9%	37.0%
Men's/boys' wear store firms (561)	20.5	17.5	35.2	26.0
Women's/girls' clothing store firms (562)	31.8	27.1	50.4	47.8
Women's accessory and specialty store firms (563)	26.9	22.0	42.0	32.4
Family clothing store (565)	29.1	22.6	42.0	32.4
Children's/infants' wear store (564)	17.6	8.7	67.4	26.3
Misc. apparel and acces. store firms (SIC 569)	17.6	5.3	22.7	20.1

* Covers stores in operation at end of year. (1987: stores in operation anytime during year.)

Source: U.S. Bureau of the Census:
1987 and 1982 Census of Retail Trade
(RC87-S-1, RC82-1-1)

Apparel/Accessory Stores: Sales Size of Stores with Payroll

The 1982 Census of Retail Trade data on firms has not been adjusted to conform with 1987 changes in treatment of store counts, etc. However, this does not greatly change the trend toward a greater share of retail trade accounted for by the largest firms. Shares in 1987 and in 1982 of the largest firms, based on their total sales, are shown below.

SUMMARY OF SALES CONCENTRATION AMONG APPAREL/ACCESSORY SPECIALTY STORES: 1987

	Percent of Total By Store Type Accounted for by Stores with Annual Volume of $1 million or more	
	Stores	Sales*
Store Type		
Men's/boys' wear stores (SIC 561)	13.5%	47.7%
Women's/girls'/wear stores (SIC 562)	10.8	41.3
Women's accessory/specialty stores (SIC 563)	7.2	45.6
Family clothing store (SIC 565)	31.1	80.3
Children's/infants' wear store (SIC 564)	7.1	37.4
Other apparel/accessory stores (SIC 569)	5.4	34.0

* Based on stores in operation entire year.

Source: Based on U.S. Bureau of the Census
1987 Census of Retail Trade (RC87-S-1)

APPAREL AND ACCESSORY STORES (SIC MAJOR GROUP 56)

Apparel/Accessory Stores: Sales Size of Stores with Payroll (continued)

DISTRIBUTION OF APPAREL/ACCESSORY SPECIALTY STORES & SALES BY SALES SIZE: 1987
(Sales in millions of dollars)

	Men's/Boys' Wear Stores (SIC 561)				Women's/Girls' Clothing Stores (SIC 562)			
	No.	%	Sales	%	No.	%	Sales	%
Total	18,507		$8,868.8		52,304		$25,867.6	
In business entire year	14,448	100.0	8,514.3	100.0	46,060	100.0	24,847.0	100.0%
Sales volume 1987:								
$10 mil. & over	13	0.1	306.4	3.6	79	0.2	1,357.5	5.5
$5.0 -- $9.9 mil.	81	0.6	528.0	6.2	146	0.3	981.3	3.9
$2.5 -- $4.9 mil.	284	2.0	948.1	11.1	558	1.2	1,865.8	7.5
$1.0 -- $2.4 mil	1,579	10.9	2,283.7	26.8	4,211	9.1	6,055.6	24.4
$0.5 -- $0.9 mil.	3,270	22.6	2,265.4	26.6	11,761	25.5	8,016.9	32.3
$0.25-- $0.49 mil.	4,146	28.7	1,492.5	17.5	11,939	25.9	4,311.6	17.3
$0.10-- $0.24 mil.	3,478	24.1	596.5	7.0	11,049	24.0	1,878.2	7.6
Under $100,000	1,600	11.0	93.7	1.1	6,317	13.7	380.1	1.5

	Women's Accessory and Specialty Stores (SIC 563)				Family Clothing Stores (SIC 565)			
	No.	%	Sales	%	No.	%	Sales	%
Total	7,490		$2,663.2		18,443		$21,117.1	
In business entire year	6,326	100.0	2,455.6	100.0	16,199	100.0	20,351.9	100.0%
Sales volume 1987:								
$10 mil. & over	7	0.1	107.9	4.4	146	0.9	3,430.6	16.9
$5.0 -- $9.9 mil.	38	0.6	264.9	10.8	626	3.9	4,085.1	20.1
$2.5 -- $4.9 mil.	81	1.3	264.9	10.8	1,152	7.1	4,055.9	19.9
$1.0 -- $2.4 mil.	329	5.2	481.4	19.6	3,111	19.2	4,762.1	23.4
$0.5 -- $0.9 mil.	699	11.0	486.9	19.8	3,249	20.1	2,319.5	11.4
$0.25-- $0.49 mil.	1,068	16.9	369.9	15.1	2,991	18.4	1,087.8	5.3
$0.10-- $0.24 mil.	2,333	36.9	379.1	15.4	2,946	18.2	493.4	2.4
Under $100,000	1,771	28.0	100.7	4.1	1,978	12.2	117.5	0.6

	Children's/Infants' Wear Stores (SIC 564)				Other Apparel/Accessories Stores (SIC 569)			
	No.	%	Sales	%	No.	%	Sales	%
Total	6,146		$2,101.5		9,057		$ 2,361.7	
In business entire year	5,096	100.0	1,982.7	100.0	7,427	100.0	2,202.4	100.0%
Sales volume 1987:								
$10 mil. & over	3	0.3	50.7	2.6	3	0.2	44.3	2.0
$5.0 -- $9.9 mil.	12		71.2	3.6	13		86.8	3.9
$2.5 -- $4.9 mil.	69	1.4	235.3	11.9	51	0.7	162.0	7.4
$1.0 -- $2.4 mil.	280	5.5	383.2	19.3	331	4.5	455.2	20.7
$0.5 -- $0.9 mil.	711	13.9	492.5	24.8	664	8.9	450.0	20.4
$0.25-- $0.49 mil.	1,131	22.2	405.1	20.4	1,428	19.2	495.7	22.5
$0.10-- $0.24 mil.	1,644	32.3	296.4	13.6	2,352	31.7	381.6	17.3
Under $100,000	1,246	24.4	75.3	3.8	2,585	34.8	126.7	5.8

Note: Percentage distribution of sales by volume group is based on dollars in thousands.

Source: Based on U.S. Bureau of the Census: 1987 Census of Retail Trade (RC87-S-1)

STORE TYPE INFORMATION

APPAREL AND ACCESSORY STORES (SIC MAJOR GROUP 56)

Apparel/Accessory Stores: Regional Distribution

NUMBER AND SALES OF APPAREL/ACCESSORY STORES BY U.S. REGIONS: 1987

	Stores		Sales	
	Number	%	Mil. $	%
Apparel/accessory stores, total*	109,945	100.0%	$62,974.3	100.0%
New England	6,429	5.8	4,704.2	7.5
Middle Atlantic	18,507	16.8	12,154.2	19.3
East North Central	16,196	14.7	9,584.2	15.2
West North Central	8,010	7.3	3,493,4	5.5
South Atlantic	20,969	19.1	10,630.1	16.9
East South Central	6,435	5.9	3,036.8	4.8
West South Central	12,124	11.0	6,348.0	10.1
Mountain	5,555	5.1	2,589.8	4.1
Pacific	15,720	14.3	10,433.6	16.6

* Shoe stores are not included.

Source: Based on U.S. Bureau of the Census:
1987 Census of Retail Trade (RC87-A-52)

Shoe Stores (With Payroll) (SIC 566): 1987 and 1982

Shoe stores are classified by the type of shoe in which they specialize and which are more than three times the combined sales of other types of footwear. The 1987 SIC definition was the same as the 1972 SIC. (For data on shoe stores without payroll, see page 21. Leased shoe departments operating in department stores, etc., are classified as shoe stores.

Family shoe stores (SIC 566 pt.) primarily sell footwear for both men and women, and may also sell children's footwear, with no one of these groups accounting for more than three times the sales of the other two groups combined. This classification includes stores primarily selling athletic footwear and accessories.

From 1982 to 1987, the number of shoe stores specializing in the sale of men's and boy's footwear declined over 12%, but sales (in current dollars) were up 12%. Other types of shoe stores gained in both number and sales, particularly children's/juvenile's shoe stores. However, these represented only 3% of the shoe store count.

APPAREL AND ACCESSORY STORES (SIC MAJOR GROUP 56)

SHOE STORES WITH PAYROLL: 1982, 1987
(Dollar figures in millions, current dollars)

	Number of Stores*			Sales		
	1987	1982(r)	% Change	1987	1982	% Change
Shoe stores, total	39,488	38,506	2.5%	$14,410.8	$11,275.4	27.8%
Men's/boys' shoe stores	3,866	4,411	-12.3	1,246.5	1,110.7	12.2
Women's/girls' shoe stores	9,272	8,306	11.6	3,122.8	2,633.1	18.6
Children's/juvenile's shoe stores	1,268	1,052	20.5	296.6	218.0	36.1
Family shoe stores	25,082	24,737	1.4	9,744.8	7,313.6	33.2

* Covers stores in operation anytime during the year.

(r) revised. In the 1982 Census a total of 36,277 stores with payroll in operation at end of year was reported.

Note: For a count of all shoe stores, including stores without payroll in 1987, see page 21. Figures include leased shoe departments.

Source: U.S. Bureau of the Census: 1987 Census of Retail Trade (RC87-A-52)

Shoe Store Firms (SIC 566)

The following table analyzes the distribution of firms with payroll in terms of the number of stores operated. For a definition of "firms", see INTRODUCTION.

SINGLE AND MULTIUNIT FIRMS OPERATING SHOE STORES: 1987
(Dollar figures in millions)

	Shoe Stores, All Types (SIC 566)					Men's Shoe Stores (SIC 566 Pt.)				
	Firms		Stores			Firms		Stores		
	No.	%	No.	Sales	%	No.	%	No.	Sales	%
Firms	12,469	100.0	39,488	14,410.8	100.0	1,092	100.0	3,866	$ 1,246.5	100.0
Single units	10,671	85.6	10,671	2,710.5	18.8	853	78.1	853	244.9	19.6
Multiunits	1,798	14.4	28,817	11,700.3	81.2	239	21.9	3,013	1,001.6	80.4
1 - 4 stores	1,459	11.7	3,080	1,231.5	8.5	196	17.9	356	170.3	13.7
5 - 24 stores	269	2.2	2,350	1,168.9	8.1	33	3.0	301	200.0	16.0
25 - 99 stores	37	0.3	1,532	646.5	4.5	3*	0.3	227	56.0	4.5
100 or more stores	33	0.3	21,855	8,653.4	60.1	7	0.6	2,129	575.4	46.2

(continued)

STORE TYPE INFORMATION

APPAREL AND ACCESSORY STORES (SIC MAJOR GROUP 56)

Shoe Store Firms (SIC 566) (continued)

SINGLE AND MULTIUNIT FIRMS OPERATING SHOE STORES: 1987
(Dollar figures in millions)
(continued)

	Women's Shoe Stores (SIC 566 Pt)					Children's/Juveniles'Shoe Store (SIC 566 Pt)				
	Firms		Stores			Firms		Stores		
	No.	%	No.	Sales	%	No.	%	No.	Sales	%
Firms	3,284	100.0	9,272	$3,122.8	100.0	685	100.0	1,268	$ 296.6	100.0
Single units	2,576	78.4	2,576	677.7	21.7	570	83.2	570	109.2	36.8
Multiunits	708	21.6	6,696	2,445.1	78.3	115	16.8	698	187.3	63.2
1 - 4 stores	577	17.6	1,157	431.2	13.8	99	14.5	164	38.0	12.8
5 - 24 stores	105	3.2	913	376.7	12.1	12	1.8	121	33.1	11.2
25 - 99 stores	16	0.5	717	274.8	8.8	3	0.4	131	(D)	--
100 or more stores	10	0.3	3,909	1,362.4	43.6	1	0.1	282	(D)	--

	Family Shoe Stores (SIC 566 Pt)				
	Firms		Stores		
	No.	%	No.	Sales	%
Firms	7,743	100.0	25,082	$9,744.8	100.0
Single units	6,672	86.2	6,672	1,678.6	17.2
Multiunits	1,071	13.8	18,410	8,066.3	82.8
1 - 4 stores	896	11.6	1,764	740.2	7.6
5 - 24 stores	137	1.8	1,173	679.0	7.0
25 - 99 stores	15	0.2	683	301.7	3.1
100 or more stores	23	0.3	14,790	6,345.3	65.1

* All of these 3 firms operated 50 to 99 stores.
(D) Withheld by the Census Bureau to avoid disclosure.

Source: U.S. Bureau of the Census:
1987 Census of Retail Trade (RC87-S-1)

The 20 largest firms (based on total sales) operating shoe stores had a 56% share of shoe store sales in 1987; the 50 largest had a 64% share. Concentration levels were generally highest among firms operating family shoe stores and those operating men's and boys' shoe stores.

STORE TYPE INFORMATION

APPAREL AND ACCESSORY STORES (SIC MAJOR GROUP 56)

Shoe Store Firms (SIC 566) (continued)

SALES SIZE OF FIRMS
CONCENTRATION OF LARGEST FIRMS OPERATING SHOE STORES: 1987

	Stores Operated		Sales	
	Number	As % of Total	Thous. $	As % of Total
Shoe store firms, total (SIC 566)	39,488	100.0%	$14,410,807	100.0%
4 largest firms	10,462	26.5	4,792,126	33.3
8 largest firms	14,629	37.0	6,369,286	44.2
20 largest firms	20,024	50.7	8,093,474	56.2
50 largest firms	22,395	56.7	9,193,940	63.8
Men's shoe store firms	3,866	100.0	1,246,524	100.0
4 largest firms	1,744	45.1	480,299	38.5
8 largest firms	2,128	55.0	618,160	49.6
20 largest firms	2,480	64.1	767,886	61.6
50 largest firms	2,605	67.4	878,684	70.5
Women's shoe store firms	9,272	100.0	3,122,811	100.0
4 largest firms	2,913	31.4	961,397	30.8
8 largest firms	3,623	39.1	1,291,779	41.4
20 largest firms	4,366	47.1	1,622,819	52.0
50 largest firms	4,896	52.8	1,843,021	59.0
Children's/juveniles' shoe store firms	1,268	100.0	296,618	100.0
4 largest firms	409	32.2	116,351	39.2
8 largest firms	480	37.8	136,850	46.1
20 largest firms	534	42.1	156,921	52.9
50 largest firms	591	46.6	179,998	60.7
Family shoe store firms	25,082	100.0	9,744,854	100.0
4 largest firms	9,636	38.4	4,675,250	47.0
8 largest firms	12,453	49.6	5,449,015	55.9
20 largest firms	14,173	56.5	6,273,215	64.4
50 largest firms	15,489	61.7	6,861,951	70.4

Note: Firms are classified by size based on total sales, which may include other businesses.

Source: U.S. Bureau of the Census:
1987 Census of Retail Trade, (RC87-S-1)

STORE TYPE INFORMATION

APPAREL AND ACCESSORY STORES (SIC MAJOR GROUP 56)

Shoe Store Firms (SIC 566) (continued)

While the 1982 counts on stores with payroll based on firm's sales size have not been adjusted for comparability with 1987, the following comparisons can be made which show the trend to greater concentration of sales among the largest firms. The number of firms in each classification in 1982 was reported as follows: shoe store firms: 12,449; men's shoe store firms: 1,099; women's shoe store firms: 2,980; children's: 589; family: 8,140. (A firm may be counted in more than one classification and firms are classified by size based on total sales).

COMPARATIVE CONCENTRATION LEVELS OF LARGEST SHOE STORE FIRMS
WITH PAYROLL: 1987 AND 1982

	The 50 Largest Firms As % of Total in each Store Type			
	Stores Operated*		Sales	
	1987	1982	1987	1982
Shoe store firms (SIC 566), total	56.7%	53.1%	63.8%	56.3%
Men's/boys' wear store firms	67.4	70.5	70.5	72.7
Women's shoe store firms	52.8	48.6	59.0	54.0
Children's/infants' wear store (564)	46.6	40.8	60.7	50.0
Family clothing store (565)	61.7	56.4	70.4	61.6

* 1982 covers stores in operation at end of year; 1987 stores in operation anytime during year.

Source: U.S. Bureau of the Census
1987 and 1982 Census of Retail Trade
(RC87-S-1, RC82-1-1)

Shoe Stores: Sales Size of Stores with Payroll

SUMMARY OF SALES CONCENTRATION AMONG SHOE STORES: 1987

	Percent of Total By Store Type Accounted for by Stores with Annual Volume of $1 million or more	
	Stores	Sales*
Store Type (In operation entire year)		
Shoe stores, total	4.6%	18.8%
Men's shoe stores	3.8	21.1
Women's shoe stores	3.6	16.5
Children's/juveniles' shoe stores	0.9	4.2
Family shoe stores	5.3	19.5

Source: Based on U.S. Bureau of the Census
1987 Census of Retail Trade (RC87-S-1)

STORE TYPE INFORMATION

APPAREL AND ACCESSORY STORES (SIC MAJOR GROUP 56)

Shoe Stores: Sales Size of Stores with Payroll (continued)

DISTRIBUTION OF SHOE STORES & SALES
BY SALES SIZE: 1987
(Sales in millions of dollars)

	Shoe Stores, Total (SIC 566)				Men's (& Boys') Shoe Stores			
	No.	%	Sales	%	No.	%	Sales	%
Total	39,488		$14,410.8		3,966		$ 1,246.5	
In operation entire year	35,028	100.0	13,882.6	100.0	3,492	100.0	1,211.0	100.0%
Sales volume 1987:								
$10.0 mil. & over	4	*	49.4	0.4	--	--	--	--
$ 5.0 -- $9.9 mil.	25	0.1	163.4	1.2	5	0.1	35.3	2.9
$ 1.0 -- $4.9 mil.	1,588	4.5	2,387.6	17.2	131	3.7	221.0	18.2
$ 0.5 -- $0.9 mil.	6,721	19.2	4,474.8	32.2	425	12.2	282.5	23.3
$0.25-- $0.49 mil.	13,655	39.0	4,855.5	35.0	1,185	33.9	407.6	33.7
$0.10-- $0.24 mil.	9,798	28.0	1,750.4	12.6	1,376	39.4	240.8	19.9
Under $100,000	3,238	9.2	201.3	1.4	370	10.6	23.9	2.0

	Women's (& Girls') Shoe Stores				Children's/Juveniles' Shoe Stores			
	No.	%	Sales	%	No.	%	Sales	%
Total	9,272		$3,122.8		1,268		$ 296.6	
In operation entire year	8,208	100.0	2,997.8	100.0	1,109	100.0	282.0	100.0%
Sales volume 1987:								
$10.0 mil. & over	--	--	--	--	--	--	--	--
$ 5.0 -- $9.9 mil.	5	0.1	29.8	1.0	--	--	--	--
$ 1.0 -- $4.9 mil.	288	3.5	464.4	15.5	10*	0.9	11.9	4.2
$ 0.5 -- $0.9 mil.	1,250	15.2	827.3	27.6	86	7.8	52.9	18.8
$0.25-- $0.49 mil.	3,293	40.1	1,162.3	38.8	387	34.9	130.6	46.3
$0.10-- $0.24 mil.	2,554	31.1	462.9	15.4	447	40.3	75.9	26.9
Under $100,000	818	10.0	51.0	1.7	179	16.1	10.7	3.8

	Family Shoe Stores			
	No.	%	Sales	%
Total	25,082		$9,774.8	
In operation entire year	22,219	100.0	9,391.7	100.0
Sales volume 1987:				
$10.0 mil. & over	4	0.1	49.4	0.5
$ 5.0 -- $9.9 mil.	15		98.3	1.0
$ 1.0 -- $4.9 mil.	1,159	5.2	1,690.3	18.0
$ 0.5 -- $0.9 mil.	4,960	22.3	3,312.1	35.3
$0.25-- $0.49 mil.	8,790	39.6	3,155.1	33.6
$0.10-- $0.24 mil.	5,421	24.4	970.8	10.3
Under $100,000	1,870	8.4	115.7	1.2

* All 10 stores were in the $1 million to $2.499 million sales group.

Source: Based on U.S. Bureau of the Census
1987 Census of Retail Trade (RC87-S-1)

STORE TYPE INFORMATION

APPAREL AND ACCESSORY STORES (SIC MAJOR GROUP 56)

Shoe Stores: Regional Distribution

NUMBER AND SALES OF SHOE STORES BY U.S. REGIONS: 1987

	Stores		Sales	
	Number	%	Mil. $	%
Shoe stores, U.S. Total	39,488	100.0%	$14,410.8	100.0%
New England	2,196	5.6	888.5	6.2
Middle Atlantic	6,787	17.2	2,695.7	18.7
East North Central	6,705	17.0	2,389.1	16.6
West North Central	2,737	6.9	850.8	5.9
South Atlantic	7,291	18.5	2,629.4	18.2
East South Central	2,390	6.0	672.6	4.7
West South Central	4,391	11.1	1,537.8	10.7
Mountain	1,957	5.0	676.1	4.7
Pacific	5,034	12.7	2,070.4	14.3

Source: Based on U.S. Bureau of the Census:
1987 Census of Retail Trade (RC87-A-52)

FURNITURE AND HOMEFURNISHINGS STORES (SIC MAJOR GROUP 57)

This major group includes retail stores primarily engaged in selling products for furnishing the home, not including antiques and second-hand goods. It covers retailers specializing in the sale of products ranging from appliances to wall coverings.

As noted in the INTRODUCTION, the Standard Industrial Classification (SIC) system was revised in 1987, and the 1987 Census reports (except for special bridge tables) are based on these classification definitions. The 1982 and earlier censuses of retail trade follow the 1972 SIC system. While this change does not seriously affect comparisons between 1987 and 1982, the change in store counts from those operating at the end of the year (1982 census) and those in business anytime during the year (1987 census) affects comparisons with 1982 data as originally reported. Sales figures, however, have generally not been affected.

Under the 1987 SIC, a change was made in the data on "radio and television stores". These were divided into two groups: Radio, Television and Electronic Stores (SIC 5731) and Computer and Software Stores (SIC5734). Music stores were divided into two new retailer categories in 1987: Record and Prerecorded Tape Stores (SIC 5737) and Musical Instrument Stores (5736).

STORE TYPE INFORMATION

FURNITURE AND HOMEFURNISHINGS STORES (SIC MAJOR GROUP 57)

Following is a brief description of the store types included in 1987 data (generally covering stores with payroll only) in SIC 57:

Furniture stores (SIC 5712): Establishments primarily selling household furniture, bedding (i.e. mattresses, springs, etc.), and other sleep equipment. They may also sell appliances, floor coverings or other homefurnishings, but the sales of furniture and bedding exceed receipts from other merchandise.

Floor covering stores (SIC 5713): Establishments specializing in the retail sale of floor coverings. They may also perform installation but are not primarily installation contractors.

Drapery and upholstery stores (SIC 5714): Establishments primarily selling draperies, curtains, slipcovers, and upholstery materials including those selling custom-made products for household use. Not included are establishments primarily engaged in reupholstering or repairing.

Miscellaneous homefurnishings stores (SIC 5719): Establishments primarily engaged in the sale of miscellaneous homefurnishings, such as china, glassware, and kitchen/tableware, home textiles, venetian blinds and shades. Retailers primarily selling by house-to-house canvas or by party-plan merchandising are classified in SIC 5963 (Direct selling establishments). Paint, glass and wallpaper stores are in SIC 523.

Household appliance stores (SIC 572): Establishments primarily selling electric and gas major appliances, vacuum cleaners and electric housewares. Many such stores also sell radios and television sets, etc.

Radio, television, and electronics stores (SIC 5731): Establishments primarily selling home entertainment products of all types at retail (except as noted for SIC 5735) as well as other consumer electronics equipment. They may also sell computers, computer equipment, appliances, etc., and may perform incidental installation and repair work.

Computer and software stores (SIC 5734): Establishments primarily engaged in the retail sales of computers, computer peripheral equipment, and software.

Record and prerecorded tape stores (SIC 5735): Establishments primarily selling phonograph records and prerecorded audio and video tapes and discs. Not included are outlets primarily engaged in the rental of video tapes.

Musical instruments stores (SIC 5736): Establishments primarily selling musical instruments of all types at retail, as well as musical supplies.

STORE TYPE INFORMATION

FURNITURE AND HOMEFURNISHINGS STORES (SIC MAJOR GROUP 57)

FURNITURE/HOMEFURNISHINGS STORE COUNTS SALES INCLUDING STORES
WITH AND WITHOUT PAYROLL: 1987
(Sales in millions)

	All Stores		Stores With Payroll		Stores Without Payroll	
	Number	Sales	Number	Sales	Number	Sales
Furniture/homefurnishings stores (SIC 57)	180,012	$78,071.7	109,653	$74,782.5	70,359	$3,289.2
Furniture stores	45,832	26,739.6	32,763	25,996.8	13,069	742.8
Homefurnishings stores*	62,874	17,736.7	31,986	16,373.6	30,888	1,363.1
Household appliance stores	16,848	8,642.2	11,192	8,331.8	5,656	310.5
Radio, TV, electronic stores	30,621	15,679.4	18,892	15,177.9	11,729	501.5
Computer/software stores	7,864	2,799.4	3,858	2,650.9	4,006	148.5
Music stores	15,973	6,474.4	10,962	6,251.6	5,011	122.8

* Includes SIC 5713, 4, 9.

Source: U.S. Bureau of the Census:
1987 Census of Retail Trade (RC87-A-52)and
Non-Employer Statistics (RC87-N)

Furniture/Homefurnishings Stores With Payroll (SIC 57): 1987 and 1982

Following is a "bridge table" compiled by the Census Bureau to provide comparable data for 1987 and 1982. As previously noted, the changes in SIC coding affect only the radio/TV store group. However, the Bureau has retabulated the 1982 counts originally reported to conform with the 1987 count of stores in business anytime during the year, rather than at the end of the year. This has resulted in a count of 100,087 stores in the furniture/homefurnishings group--up from 93,734 originally reported in the 1982 census.

The number of stores in the furniture/homefurnishings store group increased 9.6%, and sales on a current dollar basis without adjustment for inflation rose 65% from 1982 to 1987. The pattern in gains varied by store type. Furniture stores, which represented about 30% of the group's total store count and 35% of sales in 1987, registered a 3.5% gain in stores compared with 1982, and a rise of 51% in sales.

STORE TYPE INFORMATION

FURNITURE AND HOMEFURNISHINGS STORES (SIC MAJOR GROUP 57)

Furniture/Homefurnishings Stores With Payroll (SIC 57): 1987 and 1982

FURNITURE/HOMEFURNISHINGS STORE COMPARATIVE STATISTICS BASED ON 1972 STANDARD INDUSTRIAL CLASSIFICATION SYSTEM: 1987 AND 1982
(Sales in millions of current dollars)

	Number of Stores*			Sales		
	1987	1982(r)	% Change	1987	1982	% Change
Furniture/home furnishings stores, total	109,653	100,087	9.6%	$74,782.5	$45,224.2	65.0%
Furniture stores	32,763	31,647	3.5	25,996.8	17,223.4	50.9
Floor coverings stores*	13,752	11,864	15.9	9,225.9	5,015.5	83.9
Drapery/upholstery stores	3,856	4,341	-11.2	1,026.7	858.1	19.6
Misc. homefurnishings stores	14,378	10,300	39.6	6,121.0	2,974.7	105.8
Household appliance stores	11,192	11,574	- 3.3	8,331.8	5,697.3	46.2
Radio/TV/computer store	22,750	20,370	11.7	17,828.8	9,764.2	82.6
Radio/TV/electronics stores	18,892	na	--	15,177.9	na	--
Computer/software stores	3,858	na	--	2,650.9	na	--
Record/prerecorded tape stores	6,272	4,778	31.3	3,930.4	1,903.6	106.5
Musical instrument stores	4,690	5,213	-10.0	2,321.2	1,877.4	23.6

* Covers stores in operation anytime during year.
(r) revised for comparability with 1987
na not available

Source: U.S. Bureau of the Census:
1987 Census of Retail Trade (RC87-A-52)

Furniture/Homefurnishings/Equipment Store Firms

As explained in the INTRODUCTION, a firm consists of one or more stores under common ownership or control. A firm operating stores in more than one SIC is counted in each pertinent classification. A multiunit firm may operate only one store in a specified classification. For example, a multiunit firm may operate only one radio store but a number of appliances stores, and it is counted as a multiunit firm in each case. A total of 82,104 firms with payroll were counted in SIC 57 in 1987.

STORE TYPE INFORMATION

FURNITURE AND HOMEFURNISHINGS STORES (SIC MAJOR GROUP 57)

Furniture/Homefurnishings/Equipment Store Firms With Payroll

SINGLE AND MULTIUNIT FIRMS OPERATING FURNITURE/HOMEFURNISHINGS/ EQUIPMENT STORES: 1987

(Dollar figures in millions)

	Furniture Stores (SIC 5712)					Floor Coverings Stores (SIC 5713)				
	Firms		Stores			Firms		Stores		
	No.	%	No.	Sales	%	No.	%	No.	Sales	%
Firms	26,187	100.0	32,763	$25,996.8	100.0	11,612	100.0	13,752	$ 9,225.9	100.0
Single units	23,549	89.9	23,549	13,068.0	50.3	10,809	91.5	10,809	6,120.6	66.3
Multiunits	2,638	10.1	9,214	12,928.8	49.7	803	6.8	2,943	3,105.3	33.7
1 - 4 stores	2,293	8.8	4,565	5,625.2	21.6	721	6.1	1,389	1,471.6	16.0
5 - 24 stores	315	1.2	2,715	4,149.4	16.0	75	0.6	647	842.7	9.1
25 - 99 stores	27	0.1	1,376	3,154.2	12.1	6	0.1	236	791.0	8.6
100 or more stores	3	*	588			1	*	671		

	Drapery/Upholstery Stores (SIC 5714)					Misc. Homefurnishings Stores (SIC 5719)				
	Firms		Stores			Firms		Stores		
	No.	%	No.	Sales	%	No.	%	No.	Sales	%
Firms	3,513	100.0	3,856	$1,026.7	100.0	10,806	100.0	14,378	6,121.0	100.0
Single units	3,314	94.3	3,314	728.5	71.0	9,748	90.2	9,748	2,816.0	46.0
Multiunits	199	5.7	542	298.2	29.0	1,058	9.8	4,630	3,305.0	54.0
1 - 4 stores	173	4.9	314	162.9	15.9	915	8.5	1,743	1,223.2	20.0
5 - 9 stores	20	0.6	121	72.7	7.1	78	0.7	495	231.0	3.8
10 or more stores	6	0.2	107	62.6	6.0	65	0.6	2,392	1,850.8	30.2

	Household Appliance Stores (SIC 572)					Radio/Electronics Stores (SIC 5731)				
	Firms		Stores			Firms		Stores		
	No.	%	No.	Sales	%	No.	%	No.	Sales	%
Firms	9,633	100.0	11,192	$8,331.8	100.0	11,049	100.0	18,892	15,177.9	100.0
Single unit	8,699	90.3	8,699	4,561.6	54.7	9,982	90.3	9,982	4,095.2	27.0
Multiunits	934	9.7	2,493	3,770.2	45.3	1,067	9.7	8,910	11,082.7	73.0
1 - 4 stores	864	9.0	1,660	1,810.1	21.7	919	8.3	1,762	1,861.9	12.3
5 - 9 stores	49	0.5	303	519.2	6.2	90	0.8	593	978.0	6.4
10 or more stores	21	0.2	530	1,440.9	17.3	58	0.5	6,555	8,242.8	54.3

	Computer and Software Stores (SIC 5714)					Record/Prerecorded Tape Stores (SIC 5735)				
	Firms		Stores			Firms		Stores		
	No.	%	No.	Sales	%	No.	%	No.	Sales	%
Firms	2,865	100.0	3,858	$2,650.9	100.0	2,992	100.0	6,272	3,930.4	100.0
Single units	2,605	90.9	2,605	1,618.6	61.1	2,635	88.1	2,635	812.6	20.7
Multiunits	260	9.1	1,253	1,032.3	38.9	357	11.9	3,637	3,117.8	79.3
1 - 4 stores	240	8.4	1,762	443.4	16.7	281	9.4	559	290.8	7.4
5 - 9 stores	12	0.4	73	82.6	3.1	31	1.0	184	91.5	2.3
10 or more stores	8	0.3	760	506.3	19.1	45	1.5	2,894	2,735.5	69.6

* Less than 0.1%

Source: U.S. Bureau of the Census:
1987 Census of Retail Trade (RC87-S-1)

FURNITURE AND HOMEFURNISHINGS STORES (SIC MAJOR GROUP 57)

Furniture/Homefurnishings/Equipment Store Firms With Payroll (continued)

SALES SIZE OF FIRMS
CONCENTRATION BY LARGEST FIRMS OPERATING FURNITURE/HOMEFURNISHINGS/ EQUIPMENT STORES: 1987

	Stores Operated		Sales	
	Number	As % of Total	Thous. $	As % of Total
Furniture/Homefurnishings/Equip. Stores firms (SIC 57), total*	109,653	100.0%	$74,782,502	42.0%
4 largest firms	5,621	5.1	5,504,200	7.4
8 largest firms	6,518	5.9	7,581,712	10.1
20 largest firms	8,876	8.1	11,058,078	14.8
50 largest firms	10,674	9.7	15,375,647	20.6
Furniture store firms (SIC 5712)	32,763	100.0	25,996,804	100.0
4 largest firms	481	1.5	1,658,286	6.4
8 largest firms	594	1.8	2,355,049	9.1
20 largest firms	1,005	3.1	3,486,931	13.4
50 largest firms	1,865	5.7	4,990,525	19.2
Floor covering store firms (SIC 5713)	13,752	100.0	9,225,941	100.0
4 largest firms	805	5.8	708,937	7.7
8 largest firms	918	6.7	856,885	9.3
20 largest firms	1,034	7.5	1,134,377	12.3
50 largest firms	1,210	8.8	1,543,967	16.7
Drapery and upholstery store firms (SIC 5714)	3,856	100.0	1,026,669	100.0
4 largest firms	57	1.7	65,362	6.4
8 largest firms	94	2.4	98,717	9.6
20 largest firms	148	3.8	157,489	15.3
50 largest firms	238	6.2	245,974	24.0
Misc. homefurnishings store firms (SIC 5719)	14,378	100.0	6,120,960	100.0
4 largest firms	609	4.2	786,311	12.8
8 largest firms	912	6.3	1,076,544	17.6
20 largest firms	1,340	9.3	1,622,888	26.5
50 largest firms	1,823	12.7	2,166,869	35.4
Household appliance store firms (SIC 572)	11,192	100.0	8,331,768	100.0
4 largest firms	147	1.3	888,300	10.7
8 largest firms	214	1.9	1,163,200	14.0
20 largest firms	348	3.1	1,693,343	20.3
50 largest firms	592	5.3	2,267,331	27.2

(continued)

STORE TYPE INFORMATION

FURNITURE AND HOMEFURNISHINGS STORES (SIC MAJOR GROUP 57)

Furniture/Homefurnishings/Equipment Store Firms With Payroll (continued)

SALES SIZE OF FIRMS
CONCENTRATION BY LARGEST FIRMS OPERATING FURNITURE/HOMEFURNISHINGS/ EQUIPMENT STORES: 1987
(continued)

	Stores Operated		Sales	
	Number	As % of Total	Thous. $	As % of Total
Radio/TV/electronics store firms (SIC 5731)	18,892	100.0%	$15,177,867	100.0%
4 largest firms	5,145	27.2	4,949,946	32.6
8 largest firms	5,325	28.2	6,191,500	40.8
20 largest firms	5,748	30.4	7,754,344	51.1
50 largest firms	6,175	32.7	8,870,729	58.4
Computer and software stores (SIC 5734)	3,858	100.0	2,650,893	100.0
4 largest firms	621	16.1	471,596	17.8
8 largest firms	724	18.8	583,391	22.0
20 largest firms	759	19.7	734,782	27.7
50 largest firms	837	21.7	935,509	35.3
Record and prerecorded tape stores (SIC 5735)	6,272	100.0	3,930,403	100.0
4 largest firms	1,218	19.4	1,355,589	34.5
8 largest firms	1,803	28.7	1,937,193	49.9
20 largest firms	2,393	38.1	2,511,916	63.9
50 largest firms	2,852	45.5	2,859,670	72.8

* Firms are rated based on their total sales. The total for SIC 57 includes 3,773 firms operating 4,690 musical instrument stores (SIC 5726) in 1987.

Source: U.S. Bureau of the Census:
1987 Census of Retail Trade (RC87-S-1)

1982 Census of Retail Trade data on firms have not been adjusted to conform with 1987 changes in treatment of store counts. However, this does not greatly affect the trend toward a greater share of retail trade accounted for by the largest firms. Shares in 1987 and 1982 of the largest firms, based on their total sales, are shown below for major components of SIC 57.

FURNITURE AND HOMEFURNISHINGS STORES (SIC MAJOR GROUP 57)

Furniture/Homefurnishings/Equipment Store Firms With Payroll (continued)

COMPARATIVE CONCENTRATION LEVELS OF THE LARGEST HOMEFURNISHINGS STORE FIRMS: 1987 AND 1982

	The 50 Largest Firms as % of Each SIC Total			
	Stores Operated		Sales	
	1987	1982**	1987	1982
Furniture/homefurnishings/equipment store firms (SIC 57)*	9.7%	9.0%	20.6%	15.1%
Selected types:				
Furniture store firms (SIC 5712)	5.7	4.1	19.2	17.3
Floor covering store firms (SIC 5713)	8.8	8.5	16.7	15.1
Drapery and upholstery store firms (SIC 5714)	6.2	5.4	24.0	19.0
Misc. homefurnishings store firms (SIC 5719)	12.7	8.6	35.4	29.1
Household appliance store firms (SIC 572)	5.2	3.9	27.2	19.9

* Includes stores not separately listed.
**Covers stores with payroll in operation at end of year. (1987: stores in operation anytime during year.)

Source: U.S. Bureau of the Census
1987 and 1982 Census of Retail Trade
(RC87-S-1, RC82-1-1)

Furniture/Homefurnishings/Equipment Stores With Payroll: Sales Size of Stores

DISTRIBUTION OF FURNITURE/HOMEFURNISHINGS/EQUIPMENT STORES AND SALES BY SALES SIZE: 1987
(Sales in millions of dollars)

	Furniture Stores (SIC 5712)				Floor Covering Stores (SIC 5714)			
	No.	%	Sales	%	No.	%	Sales	%
Total	32,763		$25,996.8		13,752		$9,225.9	
In business entire year	29,075	100.0%	25,205.5	100.0%	12,098	100.0%	8,920.7	100.0%
Sales volume 1987:								
$10 mil. & over	175	0.6	2,840.5	11.3	14	0.1	174.8	2.0
$ 5.0 mil.- $ 9.9 mil.	382	1.3	2,567.8	10.2	101	0.8	684.5	7.7
$ 2.5 mil.- $ 4.9 mil.	1,221	4.2	4,117.6	16.3	437	3.6	1,429.4	16.0
$ 1.0 mil.- $ 2.49 mil.	4,997	17.2	7,569.6	30.0	2,011	16.6	3,015.6	33.8
$ 0.5 mil.- $ 0.99 mil.	6,386	22.0	4,558.9	18.1	2,945	24.3	2,066.7	23.2
$ 0.25 mil. - $ 0.49 mil.	6,461	22.2	2,341.3	9.3	2,941	24.3	1,071.6	12.0
$ 0.10 mil. - $ 0.24 mil.	5,895	20.3	999.3	4.0	2,345	19.4	399.7	4.5
Under $100,000	3,558	12.2	210.6	0.8	1,304	10.8	78.2	0.8

(continued)

STORE TYPE INFORMATION

FURNITURE AND HOMEFURNISHINGS STORES (SIC MAJOR GROUP 57)

Furniture/Homefurnishings/Equipment Stores With Payroll Sales Size of Stores (continued)

DISTRIBUTION OF FURNITURE/HOMEFURNISHINGS/EQUIPMENT STORES AND SALES BY SALES SIZE: 1987

(Sales in million of dollars)
(continued)

	Drapery/Upholstery Stores (SIC 5714)				Miscellaneous Homefurnishings Stores (SIC 5719)			
	No.	%	Sales	%	No.	%	Sales	%
Total	3,856		$1,026.7		14,378		$6,121.0	
In business entire year	3,411	100.0	990.2	100.0	12,231	100.0	5,816.9	100.0%
Sales volume 1987:								
$10 mil. & over	--	--	--	--	17	0.1	465.4	8.0
$ 5.0 mil.- $ 9.9 mil.	9	0.3	51.5	5.2	45	0.4	306.2	5.3
$ 2.5 mil.- $ 4.9 mil.	17	0.5	51.3	5.2	154	1.3	510.8	8.8
$ 1.0 mil.- $ 2.49 mil.	121	3.5	166.8	16.8	991	8.1	1,421.7	24.4
$ 0.5 mil.- $ 0.99 mil.	372	10.9	249.9	25.2	1,950	15.9	1,859.9	23.4
$ 0.25 mil. - $ 0.49 mil.	660	19.3	231.9	23.4	2,772	22.7	979.4	16.8
$ 0.10 mil. - $ 0.24 mil.	1,113	32.6	179.9	18.2	3,713	30.4	621.6	10.7
Under $100,000	1,119	32.8	59.3	6.0	2,589	21.1	151.8	2.6

	Household Appliance Stores (SIC 572)				Radio/TV/Electronics Stores (SIC 5731)			
	No.	%	Sales	%	No.	%	Sales	%
Total	11,192		$8,331.3		18,892		$15,177.9	
In business entire year	10,118	100.0%	8,130.7	100.0%	16,551	100.0%	14,430.6	100.0%
Sales volume 1987:								
$10 mil. & over	57	0.6	980.9	12.1	161	1.0	2,723.5	18.9
$ 5.0 mil.- $ 9.9 mil.	176	1.7	1,237.6	15.2	312	1.9	2,179.2	15.1
$ 2.5 mil.- $ 4.9 mil.	413	4.1	1,433.9	17.6	547	3.3	1,932.0	13.4
$ 1.0 mil.- $ 2.49 mil.	1,298	12.8	1,980.7	24.4	1,768	10.7	2,629.8	18.2
$ 0.5 mil.- $ 0.99 mil.	1,672	16.5	1,180.4	14.5	3,649	22.0	2,528.2	17.5
$ 0.25 mil. - $ 0.49 mil.	2,166	21.4	771.4	9.5	4,695	28.4	1,701.1	11.8
$ 0.10 mil. - $ 0.24 mil.	2,629	26.0	441.9	5.4	3,578	21.6	625.2	4.3
Under $100,000	1,708	16.9	103.7	1.3	1,841	11.1	111.5	0.8

	Computer and Software Stores (SIC 5734)				Record Prerecorded Tape Stores (SIC 5735)			
	No.	%	Sales	%	No.	%	Sales	%
Total	3,858		$2,650.9		6,272		$3,930.4	
In business entire year	2,949	100.0%	2,421.9	100.0%	5,503	100.0	3,725.3	100.0%
Sales volume 1987:								
$10 mil. & over	8	0.3	173.4	7.2	7	0.1	154.1	4.1
$ 5.0 mil.- $ 9.9 mil.	27	0.9	192.3	7.9	27	0.5	177.5	4.8
$ 2.5 mil.- $ 4.9 mil.	138	4.7	449.5	18.6	136	2.5	439.3	11.8
$ 1.0 mil.- $ 2.49 mil.	469	15.9	721.0	29.8	868	15.8	1,251.4	33.6
$ 0.5 mil.- $ 0.99 mil.	755	25.6	531.6	21.9	1,430	26.0	1,008.7	27.1
$ 0.25 mil. - $ 0.49 mil.	665	22.6	243.3	10.0	1,242	22.6	462.2	12.4
$ 0.10 mil. - $ 0.24 mil.	547	18.5	91.4	3.8	1,149	20.9	191.5	5.1
Under $100,000	340	11.5	19.4	0.8	644	11.7	40.5	1.1

Note: Percentage distribution of sales by volume group is based on dollars in thousands.

Source: Based on U.S. Bureau of the Census: 1987 Census of Retail Trade (RC87-S-1)

FURNITURE AND HOMEFURNISHINGS STORES (SIC MAJOR GROUP 57)

Regional Distribution

The Census Bureau has reported on number of stores and sales by store type in each state for 1987; and the following table summarizes results for the nine major U.S. regions for the stores classified in SIC 57. The biggest concentration of these specialized retail outlets is in the South Atlantic States, followed by the Pacific States.

NUMBER AND SALES OF FURNITURE/HOMEFURNISHINGS STORES (SIC 57)
BY U.S. REGIONS: 1987

	Stores		Sales	
	Number	%	Mil. $	%
U.S. Total	109,653	100.0%	$74,782.5	100.0%
New England	6,372	5.8	4,647.5	6.2
Middle Atlantic	15,774	14.4	12,306.6	16.4
East North Central	16,832	15.4	12,160.5	16.3
West North Central	8,043	7.3	4,622.6	6.2
South Atlantic	22,397	20.4	14,613.7	19.5
East South Central	6,732	6.1	3,434.4	4.6
West South Central	10,916	10.0	6,285.4	8.4
Mountain	6,080	5.6	3,736.9	5.0
Pacific	16,501	15.0	12,974.8	17.4

Source: Based on U.S. Bureau of the Census:
1987 Census of Retail Trade (RC87-A-52)

SPORTING GOODS STORES (SIC 5941)

The Standard Industrial Classification system divides SIC 5941 into two parts:

General Line Sporting Goods Stores: Stores primarily selling a general line of sporting goods and equipment for hunting, camping, fishing, skiing, riding, tennis, golf and other sports; and gymnasium and playground equipment sold at retail.

Specialty Line Sporting Goods Stores: Stores specializing in a maximum of four lines of sporting goods and equipment, such as guns, trophies, skiing, golfing, bowling, and billiards equipment. It also includes bicycle shops. Stores primarily selling athletic footwear at retail are classified in SIC 566 (Shoe Stores).

Under the SIC system, a leased sporting goods department, operated in a department store or other store type, is classified as a sporting goods store--most probably as a specialty line sporting goods store.

The definition of sporting goods store SIC classifications remained the same in the 1987 Census of Retail Trade as in the 1982 Census.

STORE TYPE INFORMATION

SPORTING GOODS STORES (SIC 5941)

Except for the following table, the information on sporting goods stores reported in detail in census reports covers only those stores with payroll. (See INTRODUCTION.)

TOTAL SPORTING GOODS STORE COUNTS AND SALES (INCLUDING STORES WITH AND WITHOUT PAYROLL): 1987

(Sales in millions)

	All Stores		Stores With Payroll		Stores Without Payroll	
	Number	Sales	Number	Sales	Number	Sales
Sporting goods stores, incl. general and specialty line stores	49,799	$11,255.9	21,601	$10,077.3	28,198	$1,178.6

Source: U.S. Bureau of the Census
1987 Census of Retail Trade (RC87-A-52)
and Non-Employer Statistics (RC87-N)

Sporting Goods Stores With Payroll: 1987 and 1982

Comparability between 1987 and 1982 census data as originally published, covering store counts, has been affected by a change in methodology. The 1987 counts cover stores in operation anytime during the year; the 1982 counts covered those in operation at the end of the year. Sales figures in the two years, however, are generally the same, although some have been revised for 1982.

The change in store counts resulted in an increase in general line sporting goods stores from a revised 7,261 operating at the end of 1982 to 7,824 operating anytime during the year; the comparable specialty store number increased from 10,900 to 11,730. Sales figures for the specialty line sporting goods stores remained as originally reported for 1982; however, sales of general line sporting goods stores were revised down from $4,377.5 million to $3,581.1 million.

In 1987 there were 21,601 sporting goods stores with payroll operating anytime during the year, of which 7,959 (36.8% of the total) were general line stores; 13,642 (63.2%) were specialty line sporting goods stores. Sporting goods store sales were about evenly divided between the two store types.

In 1982, general line stores represented 50% of the stores; specialty line, 60%. Revised 1982 figures place the general line stores' sales share at 53.3%; specialty line, 46.7%.

STORE TYPE INFORMATION

SPORTING GOODS STORES (SIC 5941)

Sporting Goods Stores With Payroll: 1987 and 1982 (continued)

COMPARATIVE STATISTICS FOR SPORTING GOODS STORES: 1987 AND 1982
(Sales in thousands of current dollars)

	Number of Stores*			Sales		
	1987	1982	% Change	1987	1982	% Change
Sporting goods stores, (SIC 5941), total	21,601	19,554	10.5%	$10,077,322	$6,718,497(r)	50.0%
General line stores	7,959	7,824	1.7	5,077,048	3,581,057(r)	41.8
Specialty line stores	13,642	11,730	16.3	5,000,274	3,137,440	59.4

* Stores with payroll in operation anytime during year.

(r) revised. The Census Bureau revised their original 1982 count of general line sporting goods stores in operation at the end of 1982 down from 9,252 to 7,261.

Source: U.S. Bureau of the Census: 1987 Census of Retail Trade (RC87-A-52)

Sporting Goods Store Firms With Payroll

As explained in the INTRODUCTION, a firm consists of one or more stores under common ownership or control. A firm operating stores in more than one SIC is counted in each pertinent classification. A multiunit firm may operate only one store in a specified classification. For example, a multiunit firm may operate one general line sporting goods store but a number of hobby, toy and game shops. Some firms were counted in both types of sporting goods stores. Subsidiary companies are included in data on the ownership firm.

Note: Comparable information on firms for 1982 is not currently available.

SINGLE AND MULTIUNIT DEPARTMENT STORE FIRMS: 1987
(Sales in millions of dollars)

	Firms		Stores		Sales	
	No.	%	No.	%	Mil. $	%
Sporting goods stores, total	18,634	100.0%	21,601	100.0%	$10,077.3	100.0%
Single units	17,119	91.9	17,119	79.3	5,425.8	53.8
Multiunits	1,515	8.1	4,482	20.7	4,651.5	46.2
1 - 4 stores	1,371	7.3	2,634	12.2	1,794.7	17.8
5 - 9 stores	105	0.6	630	2.9	596.8	5.9
10 - 24 stores	31	0.2	453	2.1	859.2	8.5
25 stores or more	8	*	765	3.5	1,400.8	13.9

(continued)

STORE TYPE INFORMATION

SPORTING GOODS STORES (SIC 5941)

Sporting Goods Store Firms With Payroll (continued)

SINGLE AND MULTIUNIT DEPARTMENT STORE FIRMS: 1987
(Sales in millions of dollars)
(continued)

	Firms		Stores		Sales	
	No.	%	No.	%	Sales	%
General line stores	6,248	100.0%	7,959	100.0%	$ 5,077.0	100.0%
Single units	5,658	90.6	5,658	71.1	1,908.0	37.6
Multiunits	590	9.4	2,301	28.9	3,169.0	62.4
1 - 4 stores	513	8.2	938	11.8	715.5	14.1
5 - 9 stores	48	0.8	289	3.6	344.3	6.8
10 - 24 stores	22	0.3	343	4.3	757.3	14.9
25 stores or more	7	0.1	731	9.2	1,351.9	26.6
Specialty line stores	12,442	100.0%	13,642	100.0%	5,000.3	100.0%
Single units	11,461	92.1	11,461	84.0	3,517.8	70.4
Multiunits	981	7.9	2,181	16.0	1,482.4	29.6
1 - 4 stores	918	7.4	1,733	12.7	1,116.8	22.3
5 - 9 stores	56	0.4	342	2.5	244.3	4.9
25 stores or more	7	0.1	106	0.8	121.3	2.4

* Less than 0.1%

Source: U.S. Bureau of the Census:
1987 Census of Retail Trade (RC87-S-1)

Three general line firms each operated more than 100 stores (for a total of 575). Sales of these firms were not disclosed.

Most sporting goods store firms are single-unit operations and most had a total volume under $500,000 in 1987. However, the Census Bureau reported 18 firms were in business in 1987--15 in the general line sporting goods store group, 3 in the specialty line group -- each with total sales of $25 million or more. These firms accounted for 866 stores (4.8% of those operating the entire year), and accounted for 21.4% of sporting goods store volume.

STORE TYPE INFORMATION

SPORTING GOODS STORES (SIC 5941)

Sporting Goods Store Firms With Payroll (continued)

SALES SIZE OF SPORTING GOODS STORE FIRMS: 1987

	Firms		Stores		Sales	
	No.	%	No.	%	Thous. $	%
Sporting goods store firms (SIC 5941), total	18,634		21,601		$10,077,322	
Firms in business entire year	15,134	100.0%	18,077	100.0%	9,673,173	100.0%
With annual sales of--						
$25 mil. or more	18	0.1	866	4.8	2,068,888	21.4
$10.0 - $24.9 mil.	45	0.3	375	2.1	659,779	6.8
$ 5.0 - $ 9.9 mil.	96	0.6	374	2.1	641,332	6.6
$ 2.5 - $ 4.9 mil.	262	1.7	641	3.5	893,554	9.2
$ 1.0 - $ 2.49 mil.	1,128	7.4	1,693	9.4	1,683,054	17.4
$ 0.5 - $ 0.9 mil.	2,161	14.3	2,515	13.9	1,479,576	15.3
Less than $500,000	11,424	75.6	11,613	64.2	2,246,991	23.3

Source: Based on U.S. Bureau of the Census: 1987 Census of Retail Trade (RC87-S-1)

The Census Bureau has classified firms as "largest" based on total sales, including stores operated in more than one classification and any other business, in the following summaries.

SALES SIZE OF FIRMS
CONCENTRATION OF LARGEST FIRMS OPERATING SPORTING GOODS STORES: 1987

	Stores Operated		Sales	
	Number	As % of Total	Thous. $	As % of Total
Sporting goods store firms (SIC 5941), total	21,601	100.0%	$10,077,322	100.0%
4 largest firms	596	2.8	1,350,145	13.4
8 largest firms	669	3.1	1,664,301	16.5
20 largest firms	878	4.1	2,115,501	21.0
50 largest firms	1,178	5.4	2,587,202	25.7
General line stores firms	7,959	100.0	5,077,048	100.0
4 largest firms	592	7.4	1,345,940	26.5
8 largest firms	664	8.3	1,657,436	32.6
20 largest firms	871	10.9	2,065,606	40.7
50 largest firms	1,132	14.2	2,450,342	48.3
Specialty line stores firms	13,642	100.0%	5,000,274	100.0
4 largest firms	51	0.4	121,239	2.4
8 largest firms	65	0.5	184,303	3.7
20 largest firms	128	0.9	325,613	6.5
50 largest firms	237	1.7	552,719	11.1

Source: U.S. Bureau of the Census: 1987 Census of Retail Trade (RC87-S-1)

STORE TYPE INFORMATION

SPORTING GOODS STORES (SIC 5941)

Sporting Goods Stores With Payroll: Sales Size

Based on store counts and sales of those in operation the entire year 1987, general line sporting goods stores with sales volume of $500,000 or more accounted for 36.8% of the outlets and 82.1% of general line sporting goods store sales. Comparable data for specialty line stores showed those with sales of $500,000 and up accounting for 23.1% of the outlets and 63.1% of the store group's total sales.

DISTRIBUTION OF SPORTING GOODS STORES AND SALES BY SALES SIZE: 1987
(Sales in million of dollars)

	General Line Sporting Goods Stores				Specialty Line Sporting Goods Stores			
	No.	%	Sales	%	No.	%	Sales	%
Total	7,859		$5,077.0		13,642		$5,000.3	
In business entire year	6,691	100.0%	4,839.9	100.0%	11,162	100.0%	4,692.5	100.0%
With annual sales:								
$10 mil. - $25 mil.	10	0.1	158.6	3.3	9	0.1	116.7	2.5
$ 5.0 mil.- $ 9.9 mil.	82	1.2	545.1	11.3	32	0.3	199.1	4.2
$ 2.5 mil.- $ 4.9 mil.	287	4.3	952.1	19.7	113	1.0	393.8	8.4
$ 1.0 mil.- $ 2.49 mil.	964	14.4	1,536.5	31.7	764	6.8	1,111.4	23.7
$ 0.5 mil.- $ 0.99 mil.	1,222	16.8	781.5	16.1	1,662	14.9	1,139.7	24.3
Under $500,000	4,226	63.2	866.1	17.9	8,582	76.9	1,731.8	36.9

Source: U.S. Bureau of the Census:
1987 Census of Retail Trade (RC87-S-1)

Sporting Goods Stores: Regional Distribution

NUMBER AND SALES OF SPORTING GOODS STORES (SIC 5941)
BY U.S. REGIONS: 1987

	Stores		Sales	
	Number	%	Mil. $	%
Sporting Goods Stores, U.S. total	21,601	100.0%	$10,077.3	100.0%
New England	1,313	6.1	716.8	7.1
Middle Atlantic	2,721	12.6	1,442.4	14.3
East North Central	3,604	16.7	1,569.6	15.6
West North Central	1,709	7.9	659.4	6.5
South Atlantic	3,822	17.7	1,525.5	15.1
East South Central	1,139	5.3	352.7	3.5
West South Central	2,046	9.5	828.1	8.2
Mountain	1,719	7.9	901.6	9.0
Pacific	3,528	16.3	2,081.1	20.7

Source: Based on U.S. Bureau of the Census
1987 Census of Retail Trade (RC87-A-52)

STORE TYPE INFORMATION

GROCERY STORES (SIC 541)

Grocery stores are part of SIC Major Group 54, which also includes stores primarily selling specialized food products, such as meat and fish markets, fruit and vegetable stores, retail bakeries, etc.

This FACT FILE focuses on those selling a wide variety of foods (SIC 541). It includes supermarkets, hypermarkets and convenience stores if receipts from sales of groceries and food items for off-premise preparation and consumption are 50% or more of total sales. Trade sources generally define supermarkets by size as those with annual sales of $2 million or more. The 1987 SIC definition for grocery stores followed in the 1987 census was the same as that followed in the 1982 census. However, the 1987 census counted stores in operation anytime during the year; the 1982 census, stores in operation at the end of the year.

A "bridge table", in which 1982 counts for stores with payroll have been retabulated for comparability with 1987, has been provided by the Census Bureau. This resulted in an increase in the number of grocery stores (SIC 541) from 128,494 to 137,905 in 1982; sales figures were unchanged. Published Census Bureau reports, however, do not include revisions for 1982 on all store data or on grocery store firms, and some care must be exercised in making direct comparisons between the two census reports.

Except for the following table, the information on grocery stores in this FACT FILE covers only those with payroll.

GROCERY STORE COUNTS AND SALES INCLUDING STORES WITH AND WITHOUT PAYROLL: 1987
(Sales in millions of dollars)

All Stores		Stores with Payroll		Stores Without Payroll	
Number	Sales	Number	Sales	Number	Sales
197,216	$290,978.8	137,584	$285,481.1	59,632	$5,497.7

Source: Based on U.S. Bureau of the Census
1987 Census of Retail Trade (RC87-A-52)
and Non-Employer Statistics (RC87-N)

Grocery Stores (SIC 541) With Payroll: 1987 and 1982

The bridge table providing comparable data for grocery stores, 1982 and 1987, shows a decline of 321 in the number of stores with payroll, while sales in current dollars, not adjusted for inflation, were up 26%.

COMPARATIVE STATISTICS FOR GROCERY STORES: 1987 AND 1982
(Sales in thousands of current dollars)

Number of Stores*			Sales		
1987	1982(r)	% Change	1987	1982	% Change
137,584	137,905	-0.23%	$285,481,116	$226,609,085	26.0%

* Covers stores in operation anytime during the year.
(r) revised

Source: U.S. Bureau of the Census
1987 Census of Retail Trade (RC87-A-52)

STORE TYPE INFORMATION

GROCERY STORES (SIC 541)

Grocery Store Firms With Payroll (continued)

A firms consists of one or more stores under common ownership or control. Subsidiary companies are not counted separately but are included in data on the ownership firm. A firm can be counted in as many SIC classifications fitting the types of stores operated, and is counted as a multiunit firm even it it operates only one store in any one classification. Firms are classified by size based on their total sales, including all businesses operated.

SINGLE AND MULTIUNIT FIRMS OPERATING GROCERY STORES: 1987

	Firms		Stores		Sales	
	No.	%	No.	%	Mil. $	%
Grocery stores, total	89,273	100.0	137,584	100.0	$285,481.1	100.0
Single units	83,251	93.3	83,251	60.5	63,295.4	22.2
Multiunits	6,022	6.7	54,333	39.5	222,185.7	77.8
1 - 4 stores	4,862	5.4	9,642	7.0	24,171.7	8.5
5 - 9 stores	625	0.7	4,042	2.9	13,157.3	4.6
10 - 24 stores	302	0.3	4,532	3.3	18,060.2	6.3
25 - 49 stores	107	0.1	3,780	2.7	16,307.3	5.7
50 - 99 stores	57	0.1	4,058	2.9	22,254.0	7.8
100 or more stores	69	0.1	28,279	20.6	128,235.2	44.9

Source: U.S. Bureau of the Census: 1987 Census of Retail Trade (RC87-S-1)

Most grocery store firms operate just one store. These operations account for 93.3% of the firms, and 60.5% of the grocery stores. However, their share of grocery store sales in 1987 was just 22.2%. The multiunit firms held a 77.8% sales share, with 39.5% of the stores. The 69 firms which had 100 stores or more operated 20.6% of the grocery stores and their sales share was almost 45%.

Of the grocery store firms in operation the entire year 1987, there were 111 with annual sales of $250 million or more. They operated 22% of the grocery stores in business the entire year 1987 and had a 57% share of sales.

SALES SIZE OF GROCERY STORE FIRMS: 1987

	Firms		Stores		Sales	
	No.	%	No.	%	Mil. $	%
Firms, total	89,273		137,584		285,481.1	
Firms operated entire year	73,739	100.0%	121,830	100.0%	281,557.8	100.0%
With annual sales of--						
$250 mil. or more	111	0.1	26,529	21.8	161,431.9	57.3
$100 mil. - $249.9 mil.	113	0.2	5,504	4.5	16,977.6	6.0
$ 50 mil.- $ 99.9 mil.	149	0.2	3,015	2.5	10,339.0	3.7
$ 25 mil.- $ 49.9 mil.	319	0.4	3,163	2.6	11,098.0	3.9
$ 10 mil.- $ 24.9 mil.	1,071	1.5	4,905	4.1	16,341.5	5.8
$ 5 mil.- $ 9.9 mil.	2,121	2.9	4,435	3.6	14,603.9	5.2
$ 2.5 mil.- $ 4.9 mil.	4,495	6.1	6,455	5.3	15,716.9	5.6
$ 1.0 mil.- $ 2.49 mil.	10,105	13.7	11,816	9.7	15,556.0	5.5
Less than $1 million	55,261	74.9	56,008	46.1	19,492.8	6.9

Source: Based on U.S. Bureau of the Census:
1987 Census of Retail Trade (RC87-S-1)

GROCERY STORES (SIC 541)

Grocery Store Firms With Payroll (continued)

The Census Bureau classified firms as "largest" on the basis of their total sales, including business in more than one SIC code. While counts on stores by firm size are not available comparable to 1987, the sales data can be compared. (Sales cover the grocery store business only.)

SALES SIZE OF FIRMS
CONCENTRATION BY LARGEST FIRMS OPERATING GROCERY STORES: 1987, 1982

	Stores Operated,1987		Sales, 1987		Sales, 1982	
	Number	As % of Total	Mil. $	As % of Total	Mil. $	As % of Total
Grocery store firms, total	137,584	100.0%	$285,481.9	100.0%	$226,609.1	100.0%
4 largest firms	5,753	4.2	49,668.9	17.4	37,108.5	16.4
8 largest firms	8,063	5.9	75,613.4	26.5	54,504.0	24.1
20 largest firms	16,755	12.2	108,241.6	37.2	80,623.2	35.6
50 largest firms	20,981	15.2	136,082.6	47.7	101,184.0	44.7

Source: U.S. Bureau of the Census
1982 and 1987 Census of Retail Trade
(RC82-1-1 and RC87-S-1)

The 50 largest firms operating grocery stores accounted for 47.7% of sales in 1987 compared with a 44.7% share in 1982.

Grocery Stores With Payroll: Sales Size of Stores

DISTRIBUTION OF GROCERY STORES AND SALES BY SALES SIZE: 1987

	Stores		Sales	
	No.	%	Mil. $	%
Total	137,584		$285,481.1	
Stores operated entire year	119,359	100.0	276,918.1	100.0%
With annual sales:				
$ 25 mil. or more	699	0.6	22,134.8	8.0
$ 10 mil. - $24.9 mil.	6,924	5.8	101,610.8	36.7
$ 5 mil. - $ 9.9 mil.	9,330	7.8	66,751.4	24.1
$ 2.5 mil.- $ 4.9 mil.	8,576	7.2	31,136.3	11.2
$ 1.0 mil.- $ 2.49 mil.	15,842	13.3	24,001.4	8.7
$ 0.5 mil.- $ 0.99 mil.	26,144	21.9	18,337.9	6.6
Less than $0.5 mil.	51,844	43.4	12,945.5	4.7

Source: U.S. Bureau of the Census
1987 Census of Retail Trade (RC87-S-1)

Of the grocery stores in operation the entire year 1987, 21.4% had an annual volume of $2.5 million or more. These stores accounted for 80% of total sales of grocery stores in operation the entire year.

STORE TYPE INFORMATION

MISCELLANEOUS RETAIL BUSINESSES (SELECTED TYPES IN SIC 59)

Drug and Proprietary Stores (SIC 591)

DRUG AND PROPRIETARY STORE COUNTS AND SALES
(INCLUDING STORES WITH AND WITHOUT PAYROLL): 1987
(Sales in thousands of dollars)

All Stores		Stores with Payroll		Stores Without Payroll	
Number	Sales	Number	Sales	Number	Sales
66,955	$54,141,941	52,181	$53,824,463	3,774	$317,429

Source: Based on U.S. Bureau of the Census
1987 Census of Retail Trade (RC87-A-52, RC87-N-52)

Drug Stores/Firms With Payroll

COMPARATIVE STATISTICS FOR DRUG STORES: 1987 AND 1982
(Sales in thousands of current dollars)

	Number of Stores			Sales		
	1987	1982	% Change	1987	1982	% Change
Total	52,181	51,739	0.85%	$53,824,463	$36,242,417	48.5%
Drug stores	49,570	48,705	1.77	52,238,829	34,940,716	49.5
Proprietary stores*	2,611	3,304	-13.94	1,585,634	1,301,701	21.8

* Proprietary stores do not fill and sell prescriptions.

Source: U.S. Bureau of the Census
1987 Census of Retail Trade (RC87-A-52)

SINGLE AND MULTIUNIT FIRMS OPERATING DRUG AND PROPRIETARY STORES: 1987

	Firms		Stores		Sales	
	No.	%	No.	%	Mil. $	%
Drug and proprietary store firms	33,456	100.0%	52,181	100.0%	$ 53,824.5	100.0%
Single units	31,085	92.9	31,085	59.6	16,844.8	31.3
Multiunits	2,371	7.1	21,096	40.4	36,979.6	68.7
1 - 4 stores	2,121	6.3	4,164	8.0	3,589.5	6.7
5 - 99 stores	227	0.7	3,341	6.4	6,175.8	11.4
100 or more stores	23	0.1	13,591	26.0	27,214.3	50.6

Source: U.S. Bureau of the Census:
1987 Census of Retail Trade (RC87-S-1)

MISCELLANEOUS RETAIL BUSINESSES (SELECTED TYPES IN SIC 59)

Drug Stores/Firms With Payroll (continued)

SALES SIZE OF FIRMS
CONCENTRATION BY LARGEST FIRMS OPERATING DRUG STORES: 1987

	Stores Operated		Sales	
	Number	As % of Total	Thous. $	As % of Total
Drug/proprietary store firms (SIC 5941), total	52,181	100.0%	$53,824,463	100.0%
4 largest firms	5,761	11.0	12,590,827	23.4
8 largest firms	9,619	18.4	19,828,670	36.8
20 largest firms	13,063	25.0	27,452,931	51.0
50 largest firms	14,822	28.4	31,022,723	57.6

Source: U.S. Bureau of the Census:
1987 Census of Retail Trade (RC87-S-1)

Jewelry Stores (SIC 5944)

JEWELRY STORE COUNTS AND SALES
(INCLUDING STORES WITH AND WITHOUT PAYROLL: 1987
(Sales in thousands of dollars)

All Stores		Stores with Payroll		Stores Without Payroll	
Number	Sales	Number	Sales	Number	Sales
49,736	$12,924,729	28,050	$11,994,272	21,686	$930,458

Source: U.S. Bureau of the Census
1987 Census of Retail Trade (RC87-A-52,RC87-N)

Jewelry Stores/Firms With Payroll (SIC 5944)

COMPARATIVE STATISTICS FOR JEWELRY STORES: 1987 AND 1982
(Sales in thousands of current dollars)

Number of Stores*			Sales		
1987	1982	% Change	1987	1982	% Change
28,050	24,173	16.0%	$11,994,271	$8,352,447	43.6%

* Stores with payroll operating anytime during the year.

Source: U.S. Bureau of the Census
1987 Census of Retail Trade (RC87-A-52)

STORE TYPE INFORMATION

MISCELLANEOUS RETAIL BUSINESSES (SELECTED TYPES IN SIC 59)

Jewelry Stores/Firms With Payroll (SIC 5944) (continued)

SINGLE AND MULTIUNIT FIRMS OPERATING JEWELRY STORES: 1987

	Firms*		Stores		Sales	
	No.	%	No.	%	Thous. $	%
Jewelry store firms	19,066	100.0	28,050	100.0	$11,994,271	100.0
Single units	17,525	91.9	17,525	62.5	5,557,745	46.3
Multiunits	1,541	8.1	10,525	37.5	6,436,526	53.7
1 - 4 stores	1,420	7.4	3,440	12.2	2,397,478	20.0
5 - 99 stores	112	0.6	3,141	11.2	1,940,097	16.2
100 or more stores	9	0.1	3,944	14.1	2,098,951	17.5

Source: U.S. Bureau of the Census:
1987 Census of Retail Trade (RC87-S-1)

SALES SIZE OF FIRMS
CONCENTRATION BY LARGEST FIRMS OPERATING JEWELRY STORES: 1987

	Stores Operated		Sales	
	Number	As % of Total	Thous. $	As % of Total
Jewelry store firms	28,050	100.0%	$11,994,271	100.0%
4 largest firms_	3,160	11.3	1,791,056	14.9
8 largest firms	3,425	12.2	2,409,846	20.1
20 largest firms	4,214	15.0	3,169,726	26.4
50 largest firms	5,606	20.0	3,989,523	33.3

Source: U.S. Bureau of the Census:
1987 Census of Retail Trade (RC87-S-1)

Nonstore Retailers

Major components of this SIC Group include the following:

Catalog and mail order houses (SIC 5961):

Establishments primarily selling merchandise as a result of orders received by catalog, mail or television (home shopping). Sales from catalog desks operating in stores that are not primarily catalog mail order sellers are included in the sales of the specific store type involved. Stores operated by catalog/mail order firms are classified in their appropriate store SIC. Catalog and mail order house businesses are divided into 3 sub-classifications on the basis of the merchandise they sell. (See following table.)

STORE TYPE INFORMATION

MISCELLANEOUS RETAIL BUSINESS (SELECTED TYPE IN SIC 59)

Nonstore Retailers (SIC 596) continued

Merchandising machine operators (SIC 5962):

Includes establishments primarily engaged in the retail sales of products by vending machines (not including game machines, washers/dryers, etc.). The "establishment" is the location from which the vending route or routes is serviced, not the number of vending machines or business locations in which the machines are located. The data on vending machines in SIC 5962 does not include sales of machines located in or owned by establishments classified in other types of retail trade or in other businesses.

Direct selling establishments (SIC 5963):

Includes establishments primarily selling products by house-to-house canvass, by party plan, by telephone, or from trucks or wagons. The reported data does not include canvassers who do not have any paid help.

COMPARATIVE STATISTICS FOR NONSTORE RETAILERS: 1987 AND 1982
(Sales in millions of current dollars)

	Number of Establishments			Sales		
	1987	1982	% Change	1987	1982	% Change
Nonstore retailers (SIC 596)	23,064	23,241	- 0.8%	$33,893.6	$20,155.3	68.2%
Catalog/mail order houses (SIC 5961)	7,227	7,933	- 8.9	20,346.6	11,213.7	81.4
Selling:*						
Department store merchandise	2,169	3,430	-36.7	4,137.5	4,265.9	- 3.0
Other general merchandise	806	662	21.7	3,961.1	911.3	334.7
Other (incl. computer hardware/ software)	4,252	3,841	10.7	12,248.0	6,076.4	101.6
Merchandising machine operators (SIC 5962)	5,302	5,956	-11.0	5,692.3	4,726.6	20.4
Direct selling establishments (SIC 5963)	10,535	9,352	12.6	7,854.7	4,175.1	88.1
Furniture, homefurnishings, and equipment	2,749	2,733	0.6	1,822.1	1,105.7	64.8
Mobile food service	1,646	1,488	10.6	664.7	423.6	56.9
Books and stationery	622	1,149	-45.9	862.1	729.8	18.1
Other	5,518	3,982	38.6	4,505.8	1,915.9	132.2

* Sales of catalog order desks in department stores, etc., are not included in above figures. They are included in sales of specific store types.

(r)

Source: U.S. Bureau of the Census:
1987 Census of Retail Trade (RC87-A-52)

STORE TYPE INFORMATION

MISCELLANEOUS RETAIL BUSINESSES (SELECTED TYPES IN SIC 59)

Nonstore Retailers (SIC 596) (continued)

SINGLE AND MULTIUNIT FIRMS OPERATING NONSTORE RETAILING BUSINESSES

	Firms		Establishments		Sales	
	No.	%	No.	%	Thous. $	%
Catalog/mail order houses (SIC 5961)	5,871	100.0	7,227	100.0	20,346,643	100.0
Single units	5,295	90.2	5,295	73.3	6,246,806	30.7
Multiunits	576	9.8	1,932	26.7	14,099,837	69.3
100 estabs. or more	2	*	1,001	13.8	(D)	--
Merchandising machine operators (SIC 5962)	4,240	100.0	5,302	100.0	5,692,292	100.0
Single units	3,934	92.8	3,934	74.2	2,930,802	51.5
Multiunits	306	7.2	1,368	25.8	2,761,490	48.5
Direct selling establishments (SIC 5962)	8,612	100.0	10,535	100.0	7,854,692	100.0
Single units	8,027	93.2	8,027	76.2	4,182,737	53.3
Multiunits	585	6.8	2,508	23.8	3,671,955	46.7
25 estabs. or more	11	0.1	1,257	11.9	1,469,268	18.7

* Establishments primarily selling by catalog, mail or TV home shopping.
** Less than 0.1%
(D) Withheld to avoid disclosure.

Source: U.S. Bureau of the Census:
1987 Census of Retail Trade (RC87-S-1)

SCHEDULE OF ADDITIONAL FACT FILES

Statistical Analysis of Retailing (A Fact File Special Edition): A detailed statistical summary of retail trade in the U.S. based on the findings in the 1987 Census of Retail Trade issued by the U.S. Census Bureau in 1989. Includes information on the number of outlets by store type, sales, market shares by type of major merchandise classification, geographical changes, etc.

The Children's Market: Infants', Toddlers', Girls' and Boys' (Apparel, Juvenile Products, Toys/Dolls): Covers demographic trends affecting this market, including births, population projections by age, and characteristics of households with children. Includes detailed information on the U.S. children's wear industry, including production and shipments, foreign trade and price trends. Also covered are market trends for juvenile products (cribs, strollers, etc.) and for toys, games and dolls.

Consumer Market Developments: An overview of all facets of the consumer market. Within the framework of population and income groups, the markets for children's products, for young adults and for the mature are defined in terms of numbers and buying power. Trends and projections are included as well as an analysis of developments that are shaping the U.S. consumer market--living arrangements, households, working women, marriage and birth rates, etc. Trends in personal consumption expenditures are also covered.

Department Store Sales: Outlines ownership change/ reorganizations in the past year affecting major department and specialty stores. Buying headquarter locations of stores are listed with information on sales and number of outlets included in this total. Notes are included on plans to open and/or close stores. Sales and outlet information is separately listed for corporate headquarter and for national chains.

Dresses and Washable Service Apparel (Women's, Misses' & Juniors'): At the manufacturer level, provides a statistical profile of the dress industry and the products made within this industry, including dresses, washable service apparel, ensembles, etc. Includes number and size of manufacturers, production, and value of shipments, industry location and trends in employment levels. Analyzed is the governing impact of imports on total U.S. market supply. Retail sales by major type of retail outlet are covered, as well as growth in the size of the consumer market, based on population counts, working women by type of occupation, and more.

Fashion Accessories (Men's, and Women's): Covers developments in the U.S. industry, in imports and in retail sales for fashion accessories, including small leather goods, handbags, millinery, scarves, gloves, belts, jewelry, sunglasses, watches, etc., to the extent that statistical information is available. Included are production and shipments by U.S. manufacturers plus the quantity and value of imports in recent periods. Retail sales in department and specialty stores are reported, as well as summaries of available studies on consumer buying preferences.

Footwear (Men's, Women's, Boys', Girls'): A statistical summary of the U.S. footwear industry and U.S. market. Covers domestic production and shipments, and details trends in imports and their share of the domestic market, with information on major types of footwear. Includes information on sales trends and operating/merchandising results for shoe departments.

Home Textiles & Related Products: Includes the latest statistics on the U.S. industry, including manufacturers of a wide variety of products--bed linens, towels, blankets, comforters, slip covers, pillows, curtains/ draperies and hardware, shades and blinds. Covers the changing competitive nature of the industry through acquisitions of major producers and through consolidation of buying power at the retail level. Includes information on production, shipments and retail sales.

Hosiery/Legwear/Bodywear (Men's, Women's, Boys', Girls'): A comprehensive report on mills making hosiery and related products, including production and shipments, fiber consumption, producer price trends. The growing trend in imports is also covered. At the consumer level, the size of the potential market is measured in terms of population counts and projections and estimates are included on retail sales of major products by type of retail outlet.

Household Appliances, Electric Housewares: Covers a broad range of products included in these two classifications at the manufacturer and at the retail level. Provides a statistical profile of the U.S. industry in terms of number of manufacturers, production, shipments, exports. Imports are detailed, as well as information on export markets. Covers retail sales and merchandising results and information on appliance/radio/TV stores.

Household Furniture and Bedding: Provides an overall view of market trends in the U.S. For the U.S. industry, the report covers statistics on manufacturers, on production and shipments in terms of quantity and value by type of furniture. Trends in the concentration levels in the U.S. industry are reported, as well as in employment and earnings in the industry. Also included is information on the industry in leading states. Consumer market information includes data on characteristics of new housing units (number of rooms); also trends in consumer expenditures for furniture, sales by type of outlet. Details on furniture stores, including the 25 leaders, are also covered.

Men's Clothing and Furnishings: Provides a summary of major market trends in the men's furnishings/work/career apparel area and the tailored clothing areas, as well as in the rainwear area. Covers production and shipment information, employment trends, manufacturer concentration levels, location of the industries. Also examines import/export material. There's a look at the consumer market, plus in-depth details covering the retail level including sales and operating results for men's furnishings/work/career apparel/and tailored wear in both department and men's wear stores.

Men's Sportswear, Casual Wear, Outerwear: The wide variety of men's wear items included are covered from available statistical information on the industry at the manufacturer, retailer and consumer levels. Included is information on production and shipments by domestic producers, imports and exports. The retail market is covered in sales estimates and data on major outlet types, as well as studies of consumer buying practices.

The Sports/Fitness/Leisure Markets: Covers details on U.S. manufacturers in the sporting goods/athletic goods industry, concentrating on products sold through retail outlets such as sporting goods stores and general merchandise stores, as well as functional athletic footwear and apparel. Includes quantity and value of shipments of specified products, concentration of shipments among leading manufacturers, and trends in producer prices. Imports of specified sporting and athletic goods are covered. At the consumer level, data includes statistics and sports participation levels and purchases of specific sports equipment.

Sportswear, Casual Wear, Separates (Women's, Misses' and Juniors'): A statistical view of this segment of the women's wear industry is provided, including data on production and value of shipments, imports of major categories, sales by type of outlet, seasonal patterns, and consumer buying habits.

The Textile/Apparel Industries: Provides an overview of the U.S. textile and apparel industries, their current problems and programs to improve their competitive position in the U.S. market and abroad. Covers a statistical profile of each industry in terms of number of manufacturers, concentration levels, production and shipments, including exports. Trends in imports in terms of quantity and value are detailed, as well as quota developments. Also included is information on plant and equipment expenditures and on mill machinery in place in U.S. mills.

Toiletries, Cosmetics, Fragrances and Beauty Aids: A detailed view of the U.S. industry, leading manufacturers, sales of products for both men and women, trends in industry employment and earnings, advertising expenditures and foreign trade. Consumer expenditures by product are detailed as well as retail sales by outlet type, and consumer buying patterns and usage in regard to specified products.

Women's Inner Fashions: Nightwear, Daywear and Loungewear: An analysis of statistical information available on the industry and market, from manufacturer through to consumer. Includes the latest available data on U.S. production, shipments and exports; and details on imports. Retail sales and operating results in department and specialty stores are covered, as well as trends in producer and consumer prices. Developments in the size of the consumer market and trends in the market are summarized.

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